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Daily Report
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Industry Minster Meets Russia's Marshal Kulikov

AU0506203895 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 5 Jun 95

[FBIS Translated Text] Today Industry Minister Kliment Vuchev met with Marshal Viktor Kulikov, chief adviser of the Russian defense minister, who is visiting Bulgaria. The two of them discussed the difficulties that our countries face in preserving their scientific and technical potential and the possibilities of their defense industries during the transition to a market economy, Minister Vuchev announced following the meeting. According to Vuchev, Marshal Kulikov expressed the view that it may be possible to hand over to the Bulgarian Army some of the more modern Russian tanks that are due to be destroyed under the CFE Treaty, and that under the clauses of the treaty, Bulgaria would then destroy its tanks of older types.

Parties Discuss Cooperation in Local Elections

AU0506195995 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 5 Jun 95

[FBIS Translated Text] The Internal Macedonian Revolutionary Organization-Union of Macedonian Societies [VMRO-SMD] retains its fundamental positions of disagreement with the Rights and Freedoms Movement [DPS], but this is not a condition for working together with the SDS [Union of Democratic Forces] in the local elections or for the SDS's cooperation with the People's Union and the DPS—this became clear following today's meeting between the SDS and VMRO-SMD leaderships.

The two sides gave a high assessment to their political partnership so far and discussed participation in the local elections. SDS Deputy Chairman Petur Stoyanov said that the SDS respects the VMRO-SMD's principles concerning the DPS and will find the best solution to the prevailing situation, without contravening the resolutions of the Seventh SDS National Conference. He announced that the SDS would hold a meeting with the People's Union before the end of the week, and did not rule out the possibility of a trilateral meeting with the DPS at the deputy chairman level.

Stoyanov also said that it is too early to talk about nominating Reneta Indzhova as the SDS candidate for mayor of Sofia.

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Prague Allegedly Hub of Atomic Smuggling

95CH0247A Prague PRAGUE POST in English 2 May 95 pp 1, 4

[Article by Maggie Ledford Lawson and Jan Stojaspal: "Illegal Atomic Trade Has a Czech Nucleus"]

[FBIS Transcribed Text] The Czech Republic and Slovakia are increasingly a hub for uranium smuggling, with much of the illegal activity involving a network centered in Prague, according to German law-enforcement officials.

A uranium-smuggling case involving a Czech, four Slovaks, and a German, to be brought to court in June in Landshut, Germany, is likely to provide information on how the network operates, the officials said.

"Some of the people in the case have said they are willing to talk," according to Bernhard Brenneis, head of the attorney general's office in Landshut. In previous cases—in the Czech Republic and elsewhere—smuggling suspects have refused to divulge much significant information about their operations.

As seems typical in most uranium-smuggling cases, those held in the Landshut case appear to be amateurs, with little knowledge of the dangers of radiation but a strong desire to make money.

The identities of the suspects in the Landshut case have not been officially released, but the PRAGUE POST has obtained the names of five of the six. One Czech citizen, Vaclav Havlik, 36, of Prague, is being held. The four Slovak citizens being held are: Juraj Bily, 53, of Humenne; Dusan Tacovsky, 61, of Ruzomberok; Ondrej Gergely, 46, of Banska Stiavnica; and Gustav Illes, 45, of Bratislava. Gergely and Illes lived in Germany prior to the late 1980s.

Havlik is a former truck driver, Bily an airplane mechanic, Tacovsky a retired bus driver who now owns a grocery store, and Gergely and Illes are musicians.

A German woman who was charged with smuggling has since been released on her own recognizance. She was reported to have been a former boutique owner.

The Landshut suspects were arrested July 4, 1994, after German police found 600 grams (21 ounces) of low-grade uranium, U-235, that allegedly had been brought from Prague to a motel near Munich. Investigators had followed the suspects to the motel.

Several of the suspects also are reported to have been involved in a June 13, 1994, incident in which German police seized 0.8 grams of highly enriched uranium (U-238)—possibly a sample—near Munich.

"We're especially concerned because some of the uranium was highly enriched," said Brenneis. Law enforcement authorities worry that terrorists could gradually accumulate enough of the bomb-grade uranium to build a nuclear weapon.

THE NEW YORK TIMES has reported that Western intelligence officials believe the Landshut case is linked to that of Czech nuclear scientist Jaroslav Vagner, arrested along with two men from the former Soviet Union in a high-profile uranium-smuggling case last December 14. Vagner's case is regarded as the biggest uranium-smuggling case in history. Police allegedly found nearly 3 kilograms of weapons-grade U-238 in their car, which was stopped near a gas station in Prague 7. The men, who have not been charged, remain in Prague's Pankrac Prison.

Vagner is the only alleged smuggler to have been publicly linked to the nuclear industry in this country. He formerly worked at Dukovany, the Czech Republic's only operating nuclear facility, and at Temelin, a nuclear plant under construction.

However, the Landshut case has its epicenter in the Prague 5 neighborhood of Zbraslav, which has a tradition of nuclear research dating from the communist era.

Havlik's residence is only a couple of blocks from the Nuclear Information Center, and also from the Nuclear Fuels Institute, an agency that developed fuel for the now-defunct A-1 nuclear plant at Bohunice, Slovakia. The institute has continued experimenting with the properties of nuclear fuel.

Havlik operates a business in a building on a Zbraslav Street, formerly named Uranova (Uranium Drive), now Elisky Premyslovny. He and two of the Slovaks charged in the Landshut case met in Zbraslav before heading to Germany last July 4, according to two different sources.

While Czech nuclear scientists say they do not believe that the smuggled uranium is coming from the Czech Republic or Slovakia, they add that the network of smugglers may have connections through the nuclear industry here.

Finding connections in the uranium-smuggling business isn't hard, according to Michal Stracina of Banska Stiavnica, Slovakia. Stracina is a partner in a legitimate import-export business with smuggling suspect Ondrej Gergely, and also knows Gustav Illes.

He said someone had given out his address and suggested that he might be interested in dealing in uranium and similar materials.

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"Pretty soon I was getting faxes with offers of uranium and osmium," he said, adding that he ignored the requests.

Stracina described Illes as a Romany who plays a clarinet, saxophone, and violin, and recently became a Jehovah's Witness—"at least he was preaching it," Stracina said.

Illes always talked about "how he works with the Russian government" and how they supply him with materials for his trading operation, Stracina said.

Illes definitely was no nuclear scientist, said Stracina. "I don't know what he would do with the stuff, except to go bald and die."

Skoda Wants To Acquire Onetime Subsidiary

95CH0247B Prague PRAGUE POST in English 2 May 95 p 6

[Article by Eva Munk: "Skoda Plzen Putting the Screws to Its Onetime Subsidiary in Prague"]

[FBIS Transcribed Text] The manufacturing giant Skoda Plzen escalated the bidding war for a majority share in its one-time subsidiary Skoda Praha by threatening to file a bankruptcy suit against the Prague-based company if it does not win the tender.

Skoda Praha owes Skoda Plzen 500 million Kc [Czech koruna] ($19 million) for material the west Bohemian company provided for the completion of the Mochovce nuclear plant in Slovakia. After the separation of the two countries, construction and also financing of the nuclear plant stopped.

"If Skoda Plzen is not able to acquire Skoda Praha, it will file a bankruptcy suit against the company, and it will also sue Skoda Praha for using the brand name," said Skoda Plzen spokesman Jaroslav Hudec. "Once the petition is in court, it essentially means that Skoda Praha is bankrupt."

Skoda Praha general director Stanislav Svoboda called Skoda Plzen's threat "highly unlikely." He conceded that his company has not been able to repay the debt, because it has not been paid by Mochovce's owner, Slovenske Elektrarny. But he said that in an extreme circumstance, his company could sell the debt for 90 percent of its value and repay Skoda Plzen that way.

At stake are 54 percent of Skoda Praha's shares, currently held by the National Property Fund. There are five contenders in the tender: CEZ, Skoda Plzen, Skoda Praha's management and two French companies—EdF and SGN.

Skoda Praha has submitted three proposals to the Ministry of Trade and Industry. Under the first, CEZ would win 34 percent of the shares, and SGN and EdF would divide 15 percent, so they would together own a majority share of 49 percent. Another variation is that Clarion (a holding company founded by Skoda Praha management), instead of the French investors, would purchase the 15 percent. In a third variation, Clarion would buy 20 percent of shares.

Skoda Plzen has submitted a proposal of its own, for the entire 54 percent. General director Lubomir Soudek said that if his company wins, it would guarantee a 45-percent growth in sales next year and double that amount in 1997. Skoda Plzen would also guarantee the completion of the Temelin and Mochovce nuclear plants, for which it already has supplied 40 percent of the material. Temelin is located in south Bohemia.

Skoda Plzen has offered to pay 63 billion Kc, which is market value, plus 20 percent for the majority share. CEZ, on the other hand, has offered twice that amount, or book value.

According to CEZ spokesman Miroslav Novak, Soudek's threat will not affect his company's decision. "Our main concern is to buy 34 percent to 54 percent of the shares in order to ensure the completion of Temelin as quickly and securely as possible," he said.

Although Soudek claims the Ministry of Trade and Industry supports his company's bid, ministry officials say the final decision will be made at the government level.

Josef Jarabica, ministry director of metalworks, machinery and electrotechnology, said a "decision will be made on an inter-ministerial level, and the opinion of one ministry will not be decisive in itself."

On the whole, Skoda Praha has received Soudek's threat with equanimity. "Let's wait and see how privatization turns out," said Skoda Praha spokesman Milan Kuchta.

Privatization Methodology, Challenges Viewed

95CH0248A Warsaw ZYCIE GOSPODARCZE in Polish 30 Apr 95 No 18, pp 22-23

[Article by Marta Lazarowicz: "In Search of the Right Owner: The Czech Approach to Privatization"]

[FBIS Translated Text] Toward the end of 1991 only 8.4 percent of Czechoslovakia's GDP had been generated by the private sector. Nowadays the share of that sector is estimated at about 80 percent. A rapid pace and broad scope were the basic premises of the privatization conducted by the Vaclav Klaus government. But that is not the sole criterion for evaluating the effectiveness of

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privatization. The purposes of privatization are usually defined as consisting in stimulating the market economy, improving the efficiency of management, and increasing budget revenues. How is the Czech approach to be evaluated in the context of these purposes.

The approach to privatization adopted in Czechoslovakia was dictated by, on the one hand, the desire to rapidly transfer assets to private hands and, on the other, by the lack of the native capital needed to purchase state property. In such a situation, an effective use of traditional methods of privatization such as auctions and public bidding was not possible.

The eventual sale of national assets to foreign capital had been viewed by the public very reluctantly and as "a sellout of family silver for pennies" as well as an opportunity for wide-open fraud. It was also difficult to foresee the extent of interest in the purchasing of state enterprises. In this connection, Czechoslovakia had no problems with foreign debt. Lastly, this concerned the mobilization and stimulation of the creation of native Czechoslovak capital.

Coupons

Coupon-style privatization was to solve these numerous problems. Its principal result was that a large number of enterprises was rapidly transferred to private hands. Owing to it, a quite large segment of the society participated in the privatization processes. This is a method considered to be socially just. Every adult citizen of Czechoslovakia had the right to acquire for 1,000 Czech koruna and register a booklet containing privatization coupons worth 1,000 points. The price of the booklet equaled more or less the average weekly wage. During the subsequent two rounds of privatization the owners of the booklets were eligible to buy stock in enterprises slated for privatization. The starting price of the stock was uniform: three shares for each 100 points. Ultimately the price of the shares was decided by supply and demand.

Initially interest in buying the privatization booklets was very weak. In the first two of the three months scheduled for registering the booklets, only 700,000 citizens had them registered. Despite the intensive government propaganda this seemed to prophesy disaster for coupon-style privatization. The situation changed radically in January 1992 when the first private investment funds began to be established. The intensive advertising campaigns launched by these funds promised those who would entrust their coupons to the funds that they would be able to buy stock in privatized enterprises at a price higher by a factor of at least 10 than the price of the coupon booklet. The number of persons interested in participating in privatization soared. The deadline for registration was postponed, and altogether 8.57 million future owners of state property were registered; that was nearly three-fourths of all those eligible, that is, many more than had been expected to register.

At the same time, the government prepared an approximate list of enterprises scheduled to be privatized during the successive "rounds," in accordance with the assumption that they should be transferred as soon as possible to new owners who, on their own, then should attend to their restructuring. This principle did not apply to several subsectors, such as mining, metallurgy, and telecommunications, where it was decided to reorganize under government supervision.

The supporters of the Czech road to privatization protest when the Czech model of coupon-style privatization is contrasted with the Hungarian model of successive sales of enterprises. They stress that privatization through coupons was just one of the various approaches to privatization in Czechoslovakia, and subsequently in the Czech Republic, and that privatization projects were considered individually.

The Obligations

Every individual enterprise had to offer its own concept of privatization. Since April 1990, worker councils ceased to exist in Czechoslovakia, and thus privatization plans were prepared chiefly by enterprise management. In addition, outside individuals or institutions could offer their own alternative proposals for specified enterprises. Foreign investors, too, were able to cooperate with the enterprises in drafting proposals, or to offer their own proposals. The decisions as to the method of privatization were taken by the Ministry of Privatization upon consulting the interested parties. The implementation of the projects approved by the ministry was handled by the National Ownership Funds in both republics [Czech and Slovak], which played the role of provisional owners.

In their projects the enterprises specified the parts of their assets they wanted to privatize and the ways of doing so. Initially it was expected that the proposed projects would be based on a uniform model and focused on privatization through coupons. In that situation the Ministry of Privatization played a rather passive role. The proposals proved to be, however, quite varied, which contributed to the importance of the decisions taken by the ministry, which was to evaluate and select the best proposals. An advantage of this procedure was considerable flexibility in applying and combining different methods of privatization. Its disadvantage was the excessive influx of proposals (10,949 were offered within a short period of time), which had to be considered within tight time limits. In this connection, fears

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were expressed as to whether the ministry gave adequate consideration to these proposals and whether the decisions taken may have been too hasty.

Another objection to that procedure was that, although employees and other citizens were to have equal rights of ownership, it served the interests of enterprise management. It was that management that had the most complete information about its own enterprises and drafted the privatization projects while, at the same time, not infrequently impeding other interested parties from gaining access to that information, not to mention other abuses. On the other hand, it can be said that the need to offer their own privatization proposals has forced enterprise managers to explore ways of resolving the critical situation of their companies and develop growth strategies. The ministry approved more than 75 percent of the proposals coming from the enterprises. Privatization through coupons was used to privatize 1,804 Czech and 61 former federal enterprises with a book value of 340 million korunas. The value of the assets privatized by the coupon method exceeds one-third of the total value of the assets earmarked for privatization.

The attitude of enterprise management to the coupon method had at first been mistrustful, but in time it became more favorable. The reason was because, as the critics of the Czech model of privatization claim, it is precisely this type of privatization that best promotes the interests of the management in retaining a strong position at enterprises. The expectations that only the underperforming enterprises would choose the coupon method did not prove true. In general, it can be said that the share of coupon privatization was proportional to enterprise size and declined markedly only in the case of the largest and richest companies.

The Controversies

The most serious criticism of the Czech road to privatization concerns the fact that the state did not even temporarily assume the role of an active owner of the privatized assets. Decisions were made very tardily on questions of employment, utilization of productive capacities, investment, and other problems relating to the restructuring of enterprises, hence the "privatization paralysis" which affected the "no-man's-land" stretching between state and private ownership.

It is difficult to say what future awaits the enterprises until now kept alive by the government of Vaclav Klaus, which dislikes bankruptcies. It is not unlikely that they will require government assistance even after their privatization, and sometimes even the threat of renationalization is being mentioned. The responsibility of the state as the owner could also be interpreted as interest in the actual increase in the worth of the enterprise's capital.

In this connection, there are other criticisms being addressed to the Czech Government: the coupon method, preferred by the Ministry of Privatization, has not only deprived the State Budget of revenues but also failed to provide the enterprises with the influx of the capital needed for their restructuring. It also failed to provide them with what seems to be the fundamental virtue of private ownership—the owner's supervision and concern for the welfare of the firm.

The coupon method results in widespread ownership, that is, in ownership spread thin, and its consequences to the performance of enterprises are unknown, especially during the extremely difficult period of restructuring. To be sure, an ongoing concentration of shares in the hands of private investment funds is perceptible, but the manner in which these funds will administer the property of shareholders is still unknown, especially considering that the individual funds hold shares in many different enterprises.

Private mutual funds arose spontaneously and had not been envisaged in the privatization plans—at any rate not as major factors. This accounts for the considerable delays with which legal regulations governing their functioning were introduced. Yet more than 260 such funds, to which some two-thirds of owners of coupon booklets entrusted their shares, have been participating in privatization.

Investment or mutual funds exist in many countries and their legal status varies, but they share some basic features. Their purpose is to diversify risk rather than to exercise control over the companies in which they hold shares. In many countries laws restrict the proportion of the shares that such funds may hold in individual companies, so that they would not take over their control. (For example, in Germany that ceiling is 5 percent.) In the Czech Republic such funds can hold shares of up to 20 percent in privatized enterprises.

Another unknown is who will oversee the fund managers and how they will be overseen. Two principal related models exist in the world. Formally, the owners of investment funds are their shareholders, but they can exercise their property rights solely through selling or purchasing stock.

The first model, the Anglo-American one, consists in control of the fund management by the capital market. Under the other, so-called banker model, that control is exercised by the corporation to which the fund belongs. Then the formal owners of the shares have no influence on the fund's operations. It does not look like the Czech

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investment funds will soon be controlled by the capital market, because that market has yet to develop.

Hence, the banker-control model appears likely, specially considering that many of the funds, including the four biggest ones, are bank-owned. But how will the banks reconcile their two different roles vis a vis the companies—as lenders and as owners (many enterprises have anyway transferred gratis part of their shares to ownership by the banks)? How will the question of ownership by banks and other financial institutions be resolved? Will they, too, be privatized by the coupon method? Should this happen, the control mechanism would become a kind of closed circuit, because if the banks themselves remain under government control, then that control would also indirectly extend to both investment funds and the enterprises themselves. So far, most funds are characterized by considerable red tape and their managers, often, by lack of appropriate experience. The attitude of the funds toward enterprise management is for the time being rather passive.

Czech economists distinguish between nominal and real privatization. The former may be considered as nearly accomplished. An appraisal of the latter will have to wait.

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Foreign Minister, Cypriot Counterpart Hold Talks

LD0506204095 Bratislava STV 1 Television Network in Slovak 1730 GMT 5 Jun 95

[FBIS Translated Text] Alexandros Mikhailidhis, minister of foreign affairs of the Republic of Cypru,s arrived in Bratislava yesterday at the invitation of Slovak Foreign Minister Juraj Schenk.

The two ministers had talks today about the interest of the two countries in entering the European Union. At the same time, they agreed that they would make space for talks with experts who would examine possibilities of economic cooperation and prepare agreements on the development of tourist travel and on joint policies in the protection of investments.

Minister Mikhailidhis said proudly that, despite the loss of three-quarters of its economic resources after the division of the island in 1974, Cyprus has managed to renew its economy, and the annual income of $13,000 per capita is higher than in some European Union countries.

The economic background was praised also by Schenk. He noted that Cyprus was a suitable partner for mutually advantageous cooperation.

Gasparovic Reports on Delegation Talks in Romania

LD0506122295 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 5 Jun 95

[FBIS Translated Excerpt] A Slovak parliamentary delegation led by Chairman Ivan Gasparovic left for an official three-day visit to Romania on 4 June. [passage omitted]

Our special correspondent Jan Smihula phoned in an up-to-date report shortly before our bulletin:

[Begin recording] [Smihula] [Passage omitted] Gasparovic assessed the meeting with Adrian Nastase, president of the Romanian Chamber of Deputies, held the morning of 5 June.

[Gasparovic] [passage omitted]

[Smihula] Could you be more specific about the issues discussed?

[Gasparovic] We mostly talked about the Slovak-Hungarian Treaty and about mutual cooperation and friendship. This was the focus of our talks.

The Romanian side has been slightly offended by the way we signed the treaty—that is, by incorporating Council of Europe Recommendation No. 1201. Our views on whether it was necessary differ in some aspects. We have explained the stance of the Slovak Republic. I have also explained that, although the recommendation has been incorporated into the treaty and although we respect Recommendation No. 1201, the treaty itself is emphasizing that we do not respect Article 11 on collective rights and territorial autonomy. We agreed, at this point, that the recommendation could not grant these rights to anybody.

[Smihula] How did the Romanian side view this stance of the Slovak Republic?

[Gasparovic] They understand because they have a similar problem. However, they have decided not to incorporate No. 1201 into their treaty.

[Smihula] [passage omitted] [end recording]

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U.S.-Hungarian Financial Agreements Signed

LD0506180395 Budapest Kossuth Radio Network in Hungarian 1600 GMT 5 Jun 95

[FBIS Translated Text] Hungarian Prime Minister Gyula Horn, who is currently staying in Washington, met representatives of the financial world today. Miklos Martin Kovacs reports.

[Begin Martin Kovacs recording] The USA, the only global world power, takes the first place in Hungary's foreign political strategy, although Hungary does not wish to restrict its relations to one country or organization, Gyula Horn said at the headquarters of OPIC [Overseas Private Investment Corporation], a U.S. Government agency promoting foreign investment.

OPIC President Ruth Harkin appreciated the new Hungarian privatization law. Gyula Horn said that the Hungarian Government was criticized for this law. Some of the criticism is justified, but it is also a fact that Hungary is the only country in the region that is planning to privatize industries of strategic importance, Horn said. He also noted that shares of MATAV [Hungarian Telecommunications Company] were soon to be floated on the New York Stock Exchange.

Gyula Horn encouraged the businessman present at the meeting to keep the U.S. investors' first place in Hungary. The OPIC president added that, in the light of the new privatization law, they were ready to provide credit guarantees for these investments.

Regarding the Hungarian Government debt, Gyula Horn said that Hungary will, although with a heavy heart, repay the gross debt of $29 billion and the net debt of $20 billion as scheduled. This fact contributes to the basic conditions of a plan according to which Hungary intends to become a regional financial and trade center in the coming years.

Four U.S.-Hungarian agreements were signed in the presence of the Hungarian prime minister at OPIC headquarters. According to one of the agreements, Westel 900 GSM [Mobile Telecommunications Joint-Stock Company in Hungary] will receive a loan of $105 million, with a nine-year maturity, to continue its investments and to repay its earlier debts. This is the largest loan of this kind in the region.

The other agreements will extend cooperation between the Hungarian and U.S. Exim [Export-Import] Banks.

Gyula Horn will meet Henry Kissinger later on today. Then he will hold very important talks with IMF and World Bank leaders, as well as with U.S. Defense Secretary William Perry. [end recording]

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Van den Broek Discusses Hostage Crisis

MS0506125195 London BBC Television Network in English 2130 GMT 2 Jun 95

[Interview with Hans van den Broek, EU Foreign Affairs Commissioner, by presenter Peter Snow; Snow in the London studio, van den Broek in Brussels; from the "Newsnight" program—recorded]

[FBIS Transcribed Text] [Snow] Well earlier I spoke to the European Affairs Commissioner for External Affairs, Hans van den Broek, and I asked him whether he favored the British option—beefing up the military contribution to Bosnia or the UN's option of slowing down.

[van den Broek] I would certainly choose the option here of beef-up, and I must say I have for a longer time had a rather difficulty with the reasoning that simply for the United Nations to try to maintain neutrality it in fact and on the ground meant that aggression and the right of the strongest in fact prevailed, and that even went at the expense of the security of the UNPROFOR troops on the ground as well.

[Snow] When you talk about neutrality are you saying it's no longer possible to be neutral or impartial as between Serbs, Muslims and Croats?

[van den Broek] As long as neutral means that the right of the strongest can prevail and those that has sufficient arms at their disposals—and which means in fact that for instance the Bosnian Muslims that as we know in fact have been calling for a lifting of the arms embargo for a long time are not able to defend themselves adequately, whereas as the international community through the UN is not able to do that either. I think that only claiming neutrality as such is rather worthless.

[Snow] You were saying the time has come when the Serbs have to be effectively recognized as enemies?

[van den Broek] Well in fact if it is the Bosnian Serbs that take almost 400 or 370 of your troops hostage I can hardly call that a friendly act. The way how to remedy that is a different one and is more a matter of strategy as such—but I think that by now the international community has to recognize that in fact in spite of us not having anything against Serbs or Serbian population whatsoever, that it is the Bosnian Serb leadership that is the only party that now in the past year has categorically refused to accept the peace plan of the international contact group.

[Snow] What hope to you think there is of the contact group plan being accepted by the Serbs as a basis for agreement, do you think it's the best plan?

[van den Broek] Well at this moment I think the priority lies as was clearly said also after the contact group's meeting of last Monday—the clear priority lies to get President Milosevic now to recognize Bosnia, that would certainly have a positive affect. It would contribute to enhancing the pressure on the Bosnian Serbs, and again I hope that this rather logical step, which I think we should not beg for with Milosevic will now follow soon, and then the next question of course is with the very high priority of what to do with the hostage taking at the moment, and then comes of course the question and how about a peace plan that has also to be accepted by Pale, and how can we increase the pressure on Pale and enhance the isolation in order to make quite clear to them that the only choice is an accepting of that plan—and we said already as a starting point or as a basis for a let's say a final settlement.

[Snow] You would accept that the contact group plan can be revised and modified as long as the Serbs in Pale would negotiate?

[van den Broek] I certainly would not say you can negotiate about everything. I think we should be consistent in what we have said, and that's what the contact group wants to do, and say quite clearly there is a plan on the table if further territorial swaps can be agreed up between the parties as such. The contact group has always said that there is nothing against that. But since the map as it was presented in the plan of the international contact group was one showing compromise in direction of each and everyone of the parties. One cannot accept that there is one party that continues for years simply refusing that compromise and trying to impose a solution in fact by force—that is by military force.

Izetbegovic Condemns Response to Hostage-Taking

AU0506162795 Paris AFP in English 1614 GMT 5 Jun 95

[FBIS Transcribed Text] Sarajevo, June 5 (AFP)—Bosnian President Alija Izetbegovic condemned on Monday [5 June] what he termed the "mild" response of the West to the taking of UN hostages and the shooting down of a US jet fighter last week.

"I want to express dissatisfaction of our public opinion... and of my own, the strangely mild attitude of some Western politicians who answer the provocation of the (Radovan) Karadzic Serbs, particularly the hostage-taking and aircraft shooting," Izetbegovic told reporters in Sarajevo.

The Bosnian Serbs hold 256 peacekeepers captive in parts of Bosnia under their control. They were among nearly 400 taken after NATO airstrikes on a Serb arms dump near their stronghold of Pale in late May.

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Last week the Serbs shot down an American fighter plane patrolling Bosnia's skies as part of NATO's Deny Flight operation.

"We believe that only a firm attitude which always includes a certain degree of risk can put a leash around this new form of mass terrorism. Appeasing leads nowhere and it can only end with a new humiliation and defeat," Izetbegovic said.

The Bosnian authorities have frequently accused the United Nations of appeasing what they consider intransigent Serbs unwilling to cooperate with the UN mission. The UN peacekeepers, lightly armed and vulnerable on the ground, have often backed down when confronted with Bosnian Serb brute force.

Referring to the proposed rapid reaction force that the Western powers plan to create to offer to better protect peacekeepers, Izetbegovic said he was unopposed to the idea.

"We will welcome them, maybe, depending on the evolution of the situation that we are following closely," said Izetbegovic.

The first units of this force have begun to arrive in the central Bosnian government controlled town of Gorni Vakuf, UN officials confirmed on Monday.

President Izetbegovic Warns UN of 'Humiliation'

LD0506221395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 5 Jun 95

[Broadcast of "address" by Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, to "foreign and domestic journalists" in Sarajevo on 5 June—recorded]

[FBIS Translated Text] Activities of the Bosnian leadership have gained prominence in almost all international decisionmaking centers. We, too, are very active; Professor Ganic is in almost constant contact with the ambassadors of the countries who are currently most involved in the problem and duties of the UN Protection Force [UNPROFOR]; [Prime Minister] Silajdzic is currently in Kuwait and will leave for the United Arab Emirates tomorrow, after which he will go on to the United States, where he will present our government's [words indistinct] stances. Among other things, he has been authorized to ask the U.S. Administration, Congress, and the American public to lift the arms embargo for Bosnia-Herzegovina.

Our new Foreign Minister Sacirbegovic has recently established numerous, very useful contacts in Paris; he returns to New York tomorrow, where the new UN Security Council resolution on the reinforcement and possibly changed mandate of UNPROFOR in Bosnia-Herzegovina awaits debate. For my part, I am in constant contact with the three of them; this morning I received in separate visits the British and French ambassadors to Sarajevo. We discussed the nature and status of the new UN troops and the critical situation in the eastern enclaves, particularly in Srebrenica.

As far as the multinational rapid reaction force is concerned, whose advance guard is already stationed near Gornji Vakuf, we have already said that we do not oppose their presence at the location and we reiterate this. Perhaps we will have the chance to hail their forming, but this depends on the development of the situation which we are carefully monitoring. All foreign forces that are currently stationed in Bosnia are part of and under UNPROFOR command, which means that their status is legal. If their assignment—so I have been told—is to help UNPROFOR in implementing their mission—and it concerns primarily three assignments: the protection of humanitarian convoys, the protection of safe zones, particularly those on the Drina River, and the functioning of Sarajevo airport—then we can welcome these new forces and extend our full support.

I have just read the press release from the meeting of NATO defense ministers in Paris, which ended late at night two days ago. We support the assessments and decisions made at the meeting. As far as the so-called mobile brigades are concerned, the idea is just being reviewed at the moment; we shall state our position as soon as the project is finished, and as soon as the nature of these units' mission is defined. Their arrival and presence in Bosnia-Herzegovina will have to be within UNPROFOR's general mandate, or it will have to be regulated by a contract with our government. To put it succinctly, everything that is done must be in accordance with our sovereignty. We know of course that every military force generates political influence and we will keep this in mind.

We are interested in mutual recognition between Serbia and Bosnia-Herzegovina, but we are against paying too high a price for the recognition. We have already defined the maximum of concessions that can be given to Milosevic in return, and we have been informing the Contact Group and the Administration regularly. It is our opinion that a lifting of sanctions should not be accepted, and the suspension of the same must not include strategic materials, including oil. We will not accept anything that either directly or indirectly calls into question the integrity and sovereignty of Bosnia-Herzegovina, now or in the future.

We believe that forcing recognition at any price is the wrong tactic. There is no hurry as far as we are concerned. Today I received NATO Secretary General

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Willy Claes's answer to my letter of 29 May. Mr. Claes has informed me that as far as NATO is concerned, the exclusion zone around Sarajevo is still in force. He recalled a request stated at the NATO ministerial conference in Nordwiijk on 27 May that was submitted to the Bosnian Serbs, which calls on them to comply with the ultimatum issued on 9 February 1994 and to withdraw heavy weaponry from the Sarajevo exclusion zone, that is, to place it under UNPROFOR control. In his answer, Mr. Claes obviously had the formal validity of the exclusion zone ultimatum in mind, whereas I had asked about the real validity; Sarajevo citizens know best just how valid the ultimatum is in reality, and you probably know as well.

I wish to express our public's, the Bosnia-Herzegovina Presidency's, and my personal dissatisfaction with the surprisingly mild reactions of certain Western politicians who respond to provocations by Karadzic's Serbs—particularly the taking and humiliation of hostages, and the downing of aircraft—with mild reprimands and appeals for negotiations. We believe that only a firm stance—which always carries a certain degree of risk—can subdue this new form of mass terrorism; giving in will not lead anywhere and can only end in repeated humiliation and defeat. As far as we are concerned, we shall, like always, support the international community's every constructive effort, but we have complete faith in our own strength, that is, our army.

Silajdzic Makes Statement on Kuwaiti TV

LD0506203595 Kuwait KSC Television in Arabic 1800 GMT 5 Jun 95

[FBIS Translated Text] Bosnia-Herzegovina Prime Minister Haris Silajdzic made an exclusive statement to Kuwaiti Television:

[Begin recording] [Unidentified correspondent] Your Excellency Dr. Haris Silajdzic, Bosnian prime minister, how do you evaluate your visit to the State of Kuwait?

[Silajdzic] Permit me first of all to take this opportunity to express my thanks to the State of Kuwait, as I said headed by His Highness Shaykh Jabir al-Ahmad al-Sabah, and his highness the heir apparent and prime minister, who invited me to Kuwait, for the great, generous, and good welcome, and for the stands of support toward Bosnia-Herzegovina in these difficult times.

In the name of the people of Bosnia-Herzegovina and its government, we say once again : Thank you to our friends and brothers in Kuwait, and thank you to the generous Kuwaiti people.

[Correspondent] What are the results of the talks with his highness the amir of Kuwait and the heir apparent?

[Silajdzic] They promised to continue the full support in the political and diplomatic sphere, whether at the United Nations or in bilateral relations, namely between Kuwait and other states, and naturally within the framework of the Organization of Islamic Conference [OIC]. They also promised material support and as I said we explained our situation, and it is difficult and (?somewhat tragic) to our friends and brothers in Kuwait and to the Kuwaiti Government. They promised material support during these difficult moments. We leave the choice, the form, and the method of this support to our brothers in Kuwait.

[Correspondent] Prime minister, you mentioned in your news conference that there was a similarity between the State of Kuwait and the Republic of Bosnia-Herzegovina; how do you explain this?

[Silajdzic] As I said, the similarity to us is clear. Kuwait and Bosnia-Herzegovina are two small countries and big countries at the same time—big because of their contemporary, historical, and human outlooks and their respect for high ideals, and also the modern role which is played by the State of Kuwait and Bosnia-Herzegovina in modern society. This is not just paying complements. This is an historical and contemporary interpretation not only by me but by others.

Bosnia-Herzegovina and Kuwait have suffered from terrorism and injustice. We respect the feeling of the Kuwaiti people, especially concerning the POW's and missing persons. We have POW's and missing persons by the thousands. Therefore, we frequently feel that the Kuwaiti people are closer to us because they have suffered what we have been suffering for three years in Bosnia-Herzegovina. [end recording]

Serb Seizure of UNPROFOR Vehicles, Passes

LD0306153095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 3 Jun 95

[FBIS Translated Text] Bakir Alispahic, minister of internal affairs of Bosnia-Herzegovina, has made a brief statement for Iranian Radio and Television. Minister Alispahic dwelt on the current security situation in Sarajevo, especially in connection with the seizure of a number of UN Protection Force [UNPROFOR] vehicles by Karadzic's Serbs and UNPROFOR's warning that one such vehicle was spotted near their command post in the city.

Taking into account the current situation, and relations between the Serbs and UNPROFOR, which is extremely

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unfavorable for UN members, we have granted ourselves greater powers. In the past several days the Serbs seized from UN members about 30 vehicles, including combat vehicles. We reported this to the UN Command and I think they understood what we want. We are taking maximum measures in order to carry out checks on all UN vehicles, and I think that they are to blame for the fact that their vehicles are now in the hands of the Chetniks.

We must take all the necessary measures in order to prevent any sabotage activities by the Chetniks, given that they are now in possession of UN transporters, UN passes, and the uniforms they have taken from UN members, Alispahic said. For this reason we have to apply tough measures to avoid any surprises. We think that the United Nations now realize this and that there will be no problems with UNPROFOR. It seems that they now expect our side to help them.

Bosnian Serb Spokesman Views Bosnian Crisis

MS0506141195 London BBC Television Network in English 2130 GMT 2 Jun 95

[Interview with Dr. Sedira Trikovic, Bosnian Serb spokesman, by presenter Peter Snow in London; from the "Newsnight" program—live]

[FBIS Transcribed Text] [Snow] What do you think the world is going to make of the way Bosnian Serbs are behaving at the moment?

[Trikovic] Well first of all I think that your correspondent from Belgrade is missing one very important detail in telling this equation, and it is the fact that the supposedly imminent recognition of Bosnia-Herzegovina by Milosevic hasn't materialized, and that in fact this pressure can work both ways, and that what Karadzic and others have intended to do anyway may have been done in the name of Milosevic as a plum for his decision to postpone or at any rate not to go for it at this moment in time. So just mentioning this is very important additional ingredient in the equation which is worth considering. But on a more general point, I do not expect there will be an announcement—a formal announcement by the Contact group or the security council that the bombing will no longer happen.

[Snow] Yes but how, just how far can defiance go, I mean Bosnian Serbs quite clearly—there is no doubt about this shot down an American F-16 on a routine mission over Bosnia?

[Trikovic] How do we know it was a routine mission? A very important point is that any American F-16 in the sky above the Serb Republic in former Bosnia-Herzegovina can be on a bombing mission, and it is very irresponsible for the Americans to send these planes on missions over Banja Luka at this moment in time.

[Snow] Are you suggesting that bombs were dropped?

[Trikovic] No I am simply saying at this moment in time those flights are not contributing to the calming of the passions, and that as far as the fate of the pilot is concerned he will be treated no different than any of the UN personnel. But on a general point we must remember that anything that has happened so far is the result of this relentless American pressure for bombing, bombing is the tool of UN policy.

[Snow] What do you think is the gesture of goodwill Mr. Karadzic is hoping to get in return for this action tonight [release of hostages]?

[Trikovic] I wouldn't be surprised if some gestures of goodwill have already been made, but of course this is the sort of thing which wouldn't be talked about, and I am glad that there are diplomats in this city and in Paris and in Moscow who do not share Mr. van den Broek's dangerous nonsensical view of events. I am sure that there will be no public announcement that the western powers will give up bombing as a tool of policy in Bosnia, but at the same time I wouldn't be surprised if there was some sort of tacit understanding that this [word indistinct] diplomacy has suffered defeat and would no longer be applied.

[Snow] Ok but let's come back to what Susan Woodward [BBC correspondent in Belgrade] was talking about and what we were talking about earlier which is this question of peace, sitting down round the table to discuss peace. Now will the Bosnian Serbs or will they not discuss this contact group peace plan as a basis for agreement or not?

[Trikovic] I am glad you asked me this question because this is exactly what they agreed to do when President Carter came to Pale in December of last year, and two weeks later Charles Thomas and the contact group went to Pale and said, "I am sorry chaps we have to introduce one more word and that's acceptance, we will negotiate with you on the basis of acceptance of the contact group plan," so again Mr. van den Broek does not know what he is talking about.

[Snow] You mean non-acceptance is a basis for agreement?

[Trikovic] No, no.

[Snow] The basis for discussion?

[Trikovic] Yes acceptance as a basis for discussion.

[Snow] Well what's wrong with that?

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[Trikovic] Well everything, because what is there to negotiate.

[Snow] As a basis for discussion?

[Trikovic] No, no, acceptance as the basis for discussion is very important ingredient. To come to the crucial point: what is happening now is really the resolution or at least tentative resolution of a crisis the worst of which we have already seen at the end of last week, and what will happen next is having pressure from the European powers on the United States to stop this nonsensical policy of using the UN as peace enforcer one day peace keeper the other.

MBO Suggests NATO Force Operating Procedure

AU0206192695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 2 Jun 95

[FBIS Translated Text] UN forces in Bosnia-Herzegovina must organize and equip themselves to be ready for combat. They should actively protect safe havens, secure access to the areas under blockade, open and secure the functioning of the Sarajevo airport, and open roads, Mujo Kafedzic, vice president of the Muslim Bosniak Organization [MBO], stressed at a news conference today.

According to Kafedzic, the deployment of UN forces should be entrusted on General Smith, while the UN Security Council and UN secretary general should be excluded from the decisionmaking as the Russians are openly working against Bosnia-Herzegovina.

The MBO is of the opinion that the Bosnia-Herzegovina Government should insist on the lifting of the arms embargo for Bosnia-Herzegovina Army, as only a well-armed and equipped army can be a guarantor of freedom and peace.

The opinion of the representatives and members of this party is, that rapid reaction forces—that is, NATO forces—could be effective if they were to realize the tasks they were set. It was also said that NATO forces, if deployed with a precisely defined mandate and without the involvement of politics by individual governments, would be the most effective guarantor of peace.

Serb Leaders View Unification, Internal Problems

AU0206184095 Knin Srpski Radio Krajina Network in Serbo-Croatian 1900 GMT 1 June 95

[FBIS Translated Text] [Announcer] A meeting behind the closed doors of state leaderships of the Serb Republic [RS] and the Republic of Serb Krajina [RSK] and commissions for the realization of unification ended in Bijeljina last night after deciding on a series of concrete measures for the realization of the unification of the two Western Serb states. Let us again hear the report we received from our colleagues from Bijeljina Radio and statements by Radovan Karadzic and RSK President Milan Martic.

[Karadzic] The only item on the agenda was the unification, procedure, preparations, and the further coordination of steps to be taken, and we discussed that throughout the meeting. We set a pace and made some decisions that will first of all be... our assembly that is to follow the RSK Assembly in giving its consent to the decision and to the constitutional law, the coordination of many laws, working on the constitution, etc. [sentence as heard]

[Announcer] Asked whether concrete deadlines were set, Mr. Karadzic said:

[Karadzic] Some ministers are already meeting on Monday to agree on and coordinate their province and activities. Our assembly will probably meet next week. The two leaderships will meet again and then things will take their course.

[Announcer] What will the act of unification mean for the Serbs west of the Drina River was the next question for Mr. Karadzic.

[Karadzic] We believe it will be the beginning of a process that will pave the way for the unification of all Serbs. We have been quite moderate so far, for the sake of the international community, leaving it enough time to hold conferences. However, conferences did not produce any positive results, what is more, they resulted in the change of UNPROFOR [UN Protection Force] mandate in the Serb Krajina that provided the basis for the bloodshed and loss of western Slavonia, which will remain a scar on the body of the entire Serb nation throughout its history, although we do not recognize that act and although we consider western Slavonia to be an integral part of the RSK. However, the international community is obviously pushing us, forcing us to unite at a much quicker pace than we would have done on our own.

[Announcer] Are the Serbs east of the Drina River interested in the unification, i.e. does the FRY want the final unification of Serb lands?

[Karadzic] We hope it does. However, they are under a considerable amount of pressure due to the international circumstances. I do not believe they do not want the unification, but their problems are probably of a very specific nature and we will see what happens next. Of course, we would prefer to unite with Serbia and become a part of Serbia immediately, we would accept and agree to abolish the sovereign status of our two republics

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and become a part of Serbia, or at least to become one or two federal units of Yugoslavia. Naturally, the best unification would be one backed by Yugoslavia. However, Yugoslavia does have international problems and considerations. But we must see to it that we have a joint defense and, even before we proclaim unification, we must secure a unified defense. We cannot afford any more losses like that in western Slavonia.

[Announcer] Asked whether the unification of the RSK and the RS presents a defeat of the Croats and the Muslims, Karadzic said:

[Karadzic] To be quite honest, we do not want to defeat them on their territories. We only want them to be defeated when they dare attack our territory. I think President Martic does not intend to seize Zagreb. We do not want that the Croats disappear, that their country disappears. We simply want that each of us can live on our own territory. The same goes for the Muslims, too. We are not against Muslim interests and a Muslim state, or their federation with the Croats. We simply want to protect our interests and to establish peace as soon as possible to live as good neighbors, if a broader association is not formed in the Balkans.

[Announcer] And this is what RSK President Milan Martic said about the meeting in Bijeljina.

[Martic] We planned this meeting. As Mr. Karadzic said, we agreed on a series of concrete measures that we want to see realized as soon as possible, to unite some institutions even before the very act of unification. I would not like to say which institutions at this point, but this speaks of serious intentions to implement the unification, as the people demanded.

It is certain that the international circumstances are not on our side. However, we must see to the interests of our nation first of all, and I believe that we can realize them if we are unanimous and together.

[Announcer] And this is what the RSK president said about the rift between Prime Minister Mikelic and the state leadership of Krajina.

[Martic] This is not a rift based on private reasons. It is a result of our opposing conceptions. On one hand, we have his concept, which could be fatal for the Serbs and draw Krajina into Croatia, and that is something I have always been against. I could not envisage Krajina as a part of Croatia in any form, let alone allow it to happen. Furthermore, he was at the helm of some criminal activities. Consequently, this is not a personal conflict, but a conflict of ideas, conceptions, a conflict of his actions which harmed the RSK, even the RS and my strong opposition to that.

Karadzic Comments on 'Rapid Reaction Force'

LD0506165395 Belgrade SRNA in Serbo-Croatian 1606 GMT 5 Jun 95

[FBIS Translated Text] Sarajevo, 5 Jun (SRNA)—Serb Republic President Radovan Karadzic today assessed the setting up of the special rapid reaction force as an attempt by Europe to create a nucleus of European forces which would push NATO and U.S. domination to the sidelines in resolving the Yugoslav crisis.

"Huge global games around the future of NATO and U.S. domination in European issues are taking place. Some European countries seem to be interested in pushing NATO to the sidelines and creating European forces," Karadzic said in a statement to SRNA.

The Serb republic president said he believes the rapid reaction force was created for those reasons, not because of the Serbs. He went on to say that the latest developments following the bombing of Pale have been used only as a pretext to create such a nucleus of European forces.

"However, we do not believe there is a need for such forces here, unless we reach a political solution; then they would protect our borders, although this can also be resolved without them," Karadzic said during a visit to Serb Sarajevo.

Commenting on Western press reports that General Rupert Smith, UN Protection Force commander for former Bosnia-Herzegovina, is ready to open up the so-called humanitarian corridor from Sarajevo to the sea, even at the price of clashing with the Serbs, the Serb republic president said:

"It is only the Serbs, not General Smith, who can open up a corridor through Serb territory. Any opening of the corridor by force can be ruled out."

Karadzic reiterated that General Smith was told that the Serb side would consider the United Nations as hostile forces if they turned against the Serbs.

"We have been very lenient toward them so far. Next time our treatment will be drastic. There is no General Smith who has sovereign authority over Serb republic territory," President Karadzic concluded in a statement to SRNA.

Karadzic: Serbs Assessing Hostage-Release Case

LD0506230295 Belgrade SRNA in Serbo-Croatian 2240 GMT 5 Jun 95

[FBIS Translated Text] Sarajevo, 5 Jun (SRNA)—Radovan Karadzic, president of the Bosnian Serb Republic, and Greek Defense Minister Yerasimos Arsenis

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gave statements for the press just before midnight last night, without divulging the results of their eight-hour long talks.

"We briefed our guests from Greece about the crisis and our readiness to find a peaceful solution," Karadzic said, adding that the crisis in former Bosnia-Herzegovina is worsening and that help is needed from any government of goodwill in order to overcome the crisis.

"We have found out that Greece is well-intentioned and that its mediation is necessary for us to come out of the crisis," the Bosnian Serb president explained.

Minister Arsenis confirmed that "the exchange of information was very useful," and that he and Foreign Minister Karolos Papoulias gained an insight into the problems.

"We will resume our talks with President Milosevic in Belgrade tomorrow. Afterward a statement will be issued," Arsenis said.

Asked if any progress has been made in the efforts to secure the release of the captured UNPROFOR members, Dr. Karadzic repeated that "this problem will be discussed with President Milosevic tomorrow." He said that he would not be going to Belgrade.

The president of the Serb Republic said that "the process to release captured Blue Helmets began several days ago," and that the Serb side is "assessing the situation."

"I hope we will hear from the international community that there will be no more air strikes," Dr. Karadzic said.

Asked if Papoulias and Arsenis had given any guarantees that NATO air strikes would not be repeated, the president of the Serb Republic said: "We received guarantees of friendship."

Following their statements, Dr. Karadzic and the guests from Greece returned to the room in which the talks are being held. The talks were also attended by Nikola Koljevic and Biljana Plavsic, the vice presidents of the Serb Republic, parliament speaker Momcilo Krajisnik, and Prime Minister Dusan Kozic; and Jovica Stanisic, special envoy of the president of Serbia.

Koljevic Views Reaction Force, Hostage-Taking

AU0506153295 Paris AFP in English 1505 GMT 5 Jun 95

[FBIS Transcribed Text] Pale, Bosnia-Herzegovina, June 5 (AFP)—The creation of a rapid reaction force for Bosnia was a sign Western powers had opted for "a political solution to the conflict," Bosnian Serb Vice-President Nikola Koljevic said.

Rather than being a tough new military step, its main objective was to "strengthen UNPROFOR (UN Protection Force)" soldiers in Bosnia-Herzegovina, he told Bosnian Serb television.

"It appears Europe will provide the manpower and the United States equipment and planning," he added in the interview broadcast late Sunday.

"Even when it came to determining the objectives of these rapid reaction troops, there was no question of the military option but of protecting and reinforcing UNPROFOR, strengthening its logistics."

He said he was "convinced the international community is changing position on the Bosnian crisis and that world pressure will lead to the option of war being abandoned."

Koljevic said the Bosnian Serb hostage-taking of UN peacekeepers had "prevented new bombings"—a reference to the NATO airstrikes on a Serb arms dump which preceded them—and they had "no choice" but to take hostages.

That was because "the combination of the UN and NATO under the same command placed the two organizations in a state of war," he added.

He called for a new international peace conference to be set up aimed at finding a political solution after the question of territorial partition had been settled, not before.

The Bosnian Serbs have rejected a peace plan put forward by the five-nation "Contact Group" on former Yugoslavia (Britain, France, Germany, Russia and the United States) which would have meant giving up some of the land they have occupied.

"We think that if the international community really wants peace, it will have to recognise the wishes of people to live in one, two or three states," Koljevic said.

If some basic principles could be established, he said, such as the size of countries and sharing out resources and communication links, "then it would be much easier to agree on percentages of land and drawing lines on maps."

"Respect for these principles could lead to concrete solutions," he added.

Serb Reaction to Milosevic Hostage Proposals

LD0506170295 Belgrade TANJUG Domestic Service in Serbo-Croatian 1625 GMT 5 Jun 95

[FBIS Translated Text] Belgrade, 5 Jun (TANJUG)—Jovica Stanisic, the special envoy of Serbian President Slobodan Milosevic, had lengthy talks with the

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[Bosnian] Serb leadership today, a statement issued by the Serbian President's Office says.

The talks focused on the future course of the handover operation of the UN members by the Serb republic bodies.

Special envoy Stanisic is trying to intensify ways of and to speed up the collection and handover of the UN members in order to shorten the period of their current status as much as the objective circumstances allow.

After the meeting, Stanisic told President Milosevic that the reaction of the Serb leadership to his proposals was positive.

President Milosevic expresses the conviction that this moment of easing of high tensions should be used by all parties in the conflict and the international community to decrease war conflicts and to make efforts toward peace, the statement says.

Buha on Jovanovic DER SPIEGEL Item

LD0306184095 Belgrade SRNA in Serbo-Croatian 1633 GMT 3 Jun 95

[FBIS Translated Excerpt] Sarajevo, 3 Jun (SRNA)—Aleksa Buha, foreign minister of the [Bosnian] Serb Republic, today expressed his doubts as to whether the German magazine DER SPIEGEL [no date as received] had truthfully reported the statement by Vladislav Jovanovic, foreign minister of the Federal Republic of Yugoslavia [FRY], that the failure on the part of the Serbs in the Serb Republic to accept the contact group's plan was "sheer madness."

If it transpires that DER SPIEGEL did not report Jovanovic's words correctly, Buha believes that the Yugoslav foreign minister should—and he expects him to—deny the claims in the German magazine.

Commenting on Jovanovic's statement that "the Serbs' failure to accept the contact group's plan was sheer madness" and that "the Serbs do not have the moral right to keep 70 percent of the [Bosnian] territory", minister Buha told SRNA:

"Considering my own earlier experiences with German journalists, I am not sure that minister Jovanovic spoke about such a wide range of topics in only one or even a few sentences."

Buha said he believes that these were "statements taken out of context or deliberately exploited phrases which would have a different meaning in a different context."

However, if it transpires that the German magazine truthfully reported Jovanovic's words, it is truly incorrect to speak about the Serbs' immoral insistence on 70 percent of territory, seeing that the Serb leadership on several occasions clearly stated its opinion on both the percentage and the methods of territorial division, the Serb Republic foreign minister said. [passage omitted]

Buha describes Jovanovic's claim that "the Serb Republic leadership does not want to accept the contact group's plan out of fear of losing power," as pointless. He adds that the Serb leadership is ready to relinquish power the moment the independence and the state sovereignty of the Serb Republic are ensured.

"When Minister Jovanovic secures the Serb Republic's independence on the percentage of the territory offered by the Owen-Stoltenberg plan, and endorsed by our assembly, I faithfully promise him and everyone who is today resorting to all possible means to vilify the Serb Republic leadership, that the leaders will withdraw from their positions," Buha stresses.

Buha describes Jovanovic's statement that the Serbs, Croats and Muslims in the former Bosnia-Herzegovina can live together "in separate apartments but in the same house" as unacceptable because, according to him, it has become obvious that those nations found themselves crammed even in a much bigger—Yugoslav—house.

"If that was not possible at the Yugoslav level, than it will be at least problematic to claim that it is possible, and that it would be possible, at the level of the former Bosnia-Herzegovina, all the more so because a lot of blood has been spilled in this war. Fresh wounds and new hatreds have been opened, and I do not believe that life in a communal house would be possible, unless the landlord is imposed by force."

Buha stresses that the Serb people will never accept an imposed landlord or such a house, and tell those who advocate such living to try it themselves. According to him, "he who would like to live in such a house and considers such life bearable and worth living should try it himself." So, if anyone believes that this would be a free life, they can live in such a house, but they should not recommend or impose it to others, Buha says in response to minister Jovanovic's interview with DER SPIEGEL.

Banja Luka Account of 1 Jun Combat Situation

AU0206120095

[FBIS Editorial Report] Banja Luka Srpska Televizija in Serbo-Croatian at 1830 GMT on 1 June carries within its 40-minute "Dnevnik" newscast several reports with video footage updating the combat situation in the "Serb Republic."

Correspondent Mira Purkovic says that "today at noon, Doboj was again targeted by Muslim artillery, which

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fired several destructive projectiles on the town's center. General alert siren was again sounded at 1800 hours [1600 GMT] and the inhabitants of Doboj say that there is no pattern to the shelling." She goes on to say that "yesterday and today, 10 civilians were wounded and the population remains in shelters, while doctors and nurses are kept busy all the time." The report also says that "two strong Muslim artillery-infantry attacks from the direction of Lukavac have been repulsed on the Doboj front" and that "Muslim artillery targeted Jablanica, to the north of Maglaj, Vozuca, and nearby Serb villages. Today about 1000 hours, members of the 2d Muslim Corps, from their positions on Gojino Brdo, in the protected zone of Tuzla, fired five 122-mm tank shells at the Serb village of Lopare, whose population is in shelters." She proceeds to describe the situation on the Majevica front and says that "at about 0400 hours this morning, the 2d Muslim Corps of Tuzla launched a strong attack at the Stolice area" and that "attackers have been forced back to their original positions. Today, Muslim attacks in the vicinity of Gorazde, on the right bank of the Drina were halted. Muslim forces sustained heavy losses and withdrew to Gorazde town center."

Gorazde correspondent Drago Todorovic reports that "after yesterday's heavy fighting with the Muslims in the region of Pargani and Sivor, Serb soldiers have stabilized defense lines on the right bank of the Drina. This morning, the Muslims were licking their wounds and bringing in reinforcements." Citing Serb military sources, he says that "in the afternoon, the enemy renewed infantry and artillery attacks against Serb positions. Attacks originate from Gorazde and the 3-km exclusion zone. From their strongholds of Vranovina, Vlahovici, (?Democ), Baba, and Maklija, northwest of Gorazde, the enemy has been using mortars and highly destructive artillery weapons to target the Serb territory since 1700. Their activity is accompanied by NATO aircraft in sweeping flight." He goes on to say that "Serb soldiers use all available means to respond to those attacks" and that "there is so far no information about casualties." The report also says that "today, the Muslims [word indistinct], from the Gorazde stadium, three transporters and four trucks that were taken from British UN members from their post in Mravinci. Serb intelligence sources have the information that the Muslims will attempt several commando-reconnaissance incursions across the Drina into the Serb hinterland. All Serb defense lines have been reinforced."

An unidentified correspondent reports on the sitution on the Grahovo-Glamoc front and says that "joint units of the Croatian Defense Council [HVO] and the Croatian Army continued shelling Serb villages." She further reports that "in Posavina, HVO units, from the direction of Orasje, fired 12 destructive shells at Serb defense positions. The Serb Army is holding all defense lines under control and the traffic through Posavina is normal." She proceeds to say that "on Mt. Vlasic, along the Serb defense lines, Muslim forces attacked from the direction of Snjeznica, Santici, and Siroka Kosa. Roads connecting Sarajevo and Serb Herzegovina, as well as the roads between the Serb parts of the town and nearby villages were particularly targeted by the Muslims."

Sarajevo correspondent Predrag Koroman says that "the sowers of death from the part of the Sarajevo temporarily controlled by the Muslims have again taken a heavy toll among the civilians in Grbavca. This time the criminal's crosshair targeted and wounded two old women." He goes on to say that "Muslim terrorist strongholds of Debelo Brdo and Mojmilo are the origin of those brutal attacks" and that enemy snipers make the movement around the town and along the roads leading from the Serb Sarajevo via Trebevic to Pale "extremely dangerous."

Serb Television Roundup of 2 Jun Fighting

AU0506203395

[FBIS Editorial Report] Banja Luka Srpska Televizija in Serbo-Croatian at 1830 GMT on 2 June carries within its 35-minute newscast several reports on the fighting in the country. Reception is poor.

An unidentified correspondent says that "early this morning enemy forces launched a heavy offensive in the Mostar, Nevesinje, and Konjic area. They used large-caliber artillery pieces to target both the towns and villages and the Serb positions on this part of the Herzegovina front. Serb soldiers repelled all the attacks, and the defense lines are stable." The correspondent continues to say that "the Muslim forces of the so-called 2d Corps launched a heavy artillery-infantry attack on the Serb positions on Mt. Majevica," adding that "Serb defense lines are firm." She also says that "the wider Doboj area has been under artillery attack, and a general alarm is in force in the town of Doboj." Another unidentified correspondent continues the report by saying that "two inhabitants of Doboj were wounded this afternoon during the artillery attack by the members of the so-called Bosnia-Herzegovina Army." He adds that "the Muslim attack on the center of Doboj began this afternoon, a little after 1700 [1500 GMT], and in the first twenty minutes of the attack several howitzer, tank, and large-caliber mortar projectiles landed on the town. A general alarm is in force."

An unidentified correspondent, reporting from the Ozren-Vozuca front, says that "the general alarm was sounded several times today in [name indistinct],

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and several artillery projectiles were sent towards the civilian buildings. At the same time, Muslim artillery targeted our defense lines in Sizje, on the east part of Ozren, while a heavy artillery-infantry attack was launched from (?Lukavac), but it was successfully repelled. There is fighting in the [name indistinct] area, on the southwestern part of the Ozren front, and the villages on the Maglaj front were not spared either. Over 15 82-mm and 120-mm mortar projectiles were sent towards our defense lines on the Vozuca front."

Reporting from the Donji Vakuf front, an unidentified correspondent says that "members of the RS [Serb Republic] Army promptly prepared to ward off any major Muslim attack." He adds that "Muslim long-range infantry provocations continue—they continue to shoot from Kik, Vis, and Vucja Glava. Muslims continually use bombs and rifle grenades in the area where the lines are about 40 meters apart."

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Foreign Minister Granic Views Current Events

AU0606091595 Zagreb HRVATSKI OBZOR in Serbo-Croatian 29 May 95 pp 18-20

[Interview with Croatian Foreign Minister Mate Granic by Bruno Lopandic; place and date not given: "Milosevic's Recognition of B-H [Bosnia-Herzegovina] Would Not Harm Croatia"]

[FBIS Translated Text] The big storm of different reactions caused by the Croatian army and police action in the liberation of western Slavonia gave a lot of work to Croatian diplomacy. An avalanche of pressure and accusations without argument on account of Croatia had to be disproved by the Ministry of Foreign Affairs itself. However, there is no doubt that the position of the Republic of Croatia after the latest development essentially changed. We talked to Dr. Mate Granic, deputy prime minister of the Croatian Government and Foreign Minister of the Republic of Croatia about that, but also about other current issues.

[Lopandic] Mr. Granic, this interview takes place after a very important event for Croatia—the liberation of western Slavonia. Already during the course of this action, and particularly afterward, Croatia was exposed to exceptionally heavy pressure and accusations, mostly from the UN. How would you characterize the pressure and what were the reasons for it?

[Granic] One should distinguish between the entire activity of the UN, which is expressed through the Security Council on one side, and the activity of individual officials on the other. We were markedly dissatisfied with the activity and statements of certain UN officials, we protested sharply, and we had to issue statements for the most important world media every half hour when we were accused of some things that had never happened. Nevertheless, on the other hand, regarding the Security Council, I would say that major countries, although concerned about the events, showed a high degree of understanding for the situation. This particularly applies to the United States and Germany, but also to other countries in the Security Council. A strict adherence to international humanitarian law and the protection of human rights was demanded of us. They have put more pressure on the withdrawal from the demarcation line.

[Lopandic] What, in fact, did the international community want to achieve and why was there such panic in their demand for the urgent withdrawal of Croatian forces?

[Granic] The international community, particularly the United Nations, fears the destabilization of the whole area and the spreading of the conflict. In Bosnia-Herzegovina no advance has been made so far, and the Serbs in Croatia have still not accepted the UNCRO [United Nations Confidence Restoration Operation in Croatia] mandate. The Serbs in the occupied areas of the Republic of Croatia are negotiating unification with Bosnian Serbs, and all this goes against Security Council resolutions 981, 988, and 990.

[Lopandic] Regarding the latest development, do you expect pressure on Croatia to continue at the negotiating table?

[Granic] I think that the pressure will continue, and this pressure will mainly take two directions. The first is the presence of the UNCRO in western Slavonia, and the other about the demarcation zone. We have withdrawn from the demarcation zones, as was confirmed by the UNCRO, but we must point out that Serb paramilitary units have still not withdrawn, and that our presence in the zones was exclusively of a preventive nature.

[Lopandic] Can we, in the light of that, observe the Security Council resolution on Croatia, which has, in the end, turned out to be easier on Croatia than was expected according to the first announcements?

[Granic] The resolution was significantly softened, but we should say that it was adopted in order to stop the further escalation of the conflict. The second objective was to put pressure on Croatia, in order to make it easier for the Serbs in the occupied areas to accept the continuation of the negotiations with the Government of the Republic of Croatia. The resolution itself is not a reason for concern, but it is a warning. Just because of that we were working intensively on the human rights aspect, and on enabling the Serb population to have the right to choose—to stay or to go. Of course, that entails all the rights that are enjoyed by the Croats, and providing everything determined by the constitutional law.

[Lopandic] It is already known that in some way Croatia has been excluded from the part of negotiations between the Contact Group and Milosevic. Can you describe the present situation and the power relations between Zagreb and Belgrade at the moment?

[Granic] Croatia has very precisely said that we were ready for the normalization of relations and that we consider the final normalization to be the bedrock of peace and stability in the region. But, peace and stability have to be based on mutual recognition. Not because Croatia deems it important to be recognized by one more country, which has, by the way, not been recognized yet, but to have it as a clear signal to Croatian Serbs that their place is here in Croatia. In the meanwhile, why did it come to the negotiations between the Contact

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Group and Americans and Belgrade? It is clear that everybody wants to isolate Karadzic. That means a tighter border control, the recognition of Bosnia and Herzegovina within the framework of the Contact Group plan, in return for the suspension of a considerable part of the sanctions imposed on Belgrade. Milosevic in addition asked (but without success) for the recognition of the continuity of Yugoslavia. As far as we were informed, the final problem was that the Americans made the lifting of the sanctions only conditional upon the recognition of Croatia, too. Many want to be mediators in the negotiations between Zagreb and Belgrade, but Croatia will negotiate when there are prospects of the talks finishing with serious results.

[Lopandic] Why does Milosevic persist in refusing to recognize Croatia?

[Granic] Milosevic does not want to recognize Croatia because his basic objective is to solve the problem of Bosnia-Herzegovina, since the Contact Group solution offers a lot. When I say Milosevic, I mean the Serb side, in general. Loose union is desirable for him, and that is exactly what he is being offered! In that case, if the agreement about the final territorial and constitutional organization of Bosnia-Herzegovina is reached, he will negotiate from a far better position with the Republic of Croatia. On the other hand, by not solving the problem of the occupied areas of Croatia, he is exerting additional pressure.

[Lopandic] Does he still hold strong aces?

[Granic] That is right! It is clear that Croatia will never accept such a game, and I must emphasize—there are no negotiations about the borders.

[Lopandic] How will Milosevic's recognition of Bosnia Herzegovina, if he does so, influence Croatia and its position? It seems there will be no simultaneous mutual recognition in the end, and that Croatia will really be left out.

[Granic] Croatia, in any case considers that the international community would make a strong move by the mutual recognition of Croatia, Serbia, and Bosnia-Herzegovina. The recognition of Bosnia-Herzegovina itself will not destabilize Croatia, because our positions are strong, particularly after the western Slavonia action. We will not change our policy, and the international community will have to turn to Croatia very soon, and help it finally solve the issue of the occupied areas. Future events will most certainly persuade them to do so, and we have been warning them about it.

[Lopandic] What is our position regarding European integration—joining the PHARE [Economic Reconstruction Aid for Poland and Hungary] program, trade agreements and the cooperation with the EU and our admission into the European Council? Is it true that this integration has been made considerably difficult after the army and police action in western Slavonia?

[Granic] The ministers of the EU will on 29 May have a discussion and the integration of Croatia into the PHARE program is expected. As regards the agreement on trade and cooperation, there are certain opinions that the beginning of the negotiations should be adjourned for a month, and we on our side also have strong advocates, including the European Commission, for the immediate beginning of the negotiations. If those processes develop favorably, by the end of September this year Croatia will be received into the European Council. The western Slavonia action has provoked certain concern and caution. That was not unexpected, and precisely because of that we have had intensive diplomatic activity in explaining what was going on then, as to all the institutions and organizations, so to the countries individually, including of course our neighbors. Of particular significance were the diplomatic activities of the president of the Republic, especially his trips to London, Paris, Moscow, and Bonn.

[Lopandic] Mr. Granic, in journalistic circles it is often said that you are the one who "puts out the fire." Here I am particularly thinking of your visits to Bosnia-Herzegovina, that is Herzeg-Bosnia, and finding a solution for the problems that objectively exist. What are those problems and what is your evaluation of the situation?

[Granic] After a phase of political negotiations and the preparation of the Washington treaty and the signing of it, a phase of activities directed at strengthening of the Federation and its tight linking to the Republic of Croatia. The strengthening of the Federation was the reason for the last visit and the meeting of the foreign ministers of Turkey, Bosnia-Herzegovina, and Croatia. I am pleased to point out the continued understanding of Turkey. It is most important that the Croatian people's leadership, headed by Mr. Zubak, supports a strong, offensive concept of creating a federation in which Croatian people take the initiative regarding the implementation of Washington treaty regulations. The good organization and morale of the HVO [Croatian Defense Council] are encouraging as well. Of course, there are problems regarding criminal and, I would say, legal protection, and the Croatian Republic of Herzeg-Bosnia and the Federation will have to solve them.

[Lopandic] You mentioned problems. Are there any problems regarding political issues, that is, are there any differences in political opinion?

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[Granic] Differences in political opinion in the leadership of the Croatian people in Bosnia-Herzegovina regarding the Bosnia-Herzegovina Federation and confederation no longer exist!

[Lopandic] After two years, will you remain in the position of the chief of diplomacy?

[Granic] I discharge this office with great pleasure, and I believe that I will stay in this position until the elections.

[Box, p 18]

Nobody gave a green light for the action in western Slavonia. It was just very good Croatian timing. The power of the military police, diplomacy, and publicity influenced such a successful end. We started the action to prevent the terrorist acts which, among other things, attempted to destroy the credibility of the Republic of Croatia. We warned our allies that we would not be able to bear that, which does not mean that we informed them about the beginning of the action.

[Box, p 19]

We want to modernize the Ministry in order to come closer to world standards. In the first half of June we expect the opening of the Croatian Diplomatic Academy for which the most distinguished experts and scientists will lecture. A significant development of libraries and introduction to the world system of that kind is planned, internal professional appointments are being introduced within the Ministry, which is also common in the world, the internal communication system has been improved, and we get capable staff through public competition and rigorous commissions. A model of internal competition is also being established, so if there is an open diplomatic post each office will be able to propose their people. Young diplomats are also being educated in the distinguished academies abroad. IRMO [as published; expansion not known] in cooperation with the Ministry of Foreign Affairs will start publishing a magazine for foreign affairs. We have established diplomatic relations with 104 countries, and founded 81 diplomatic and consular representative offices in the world (embassies, missions, offices, consulates general, consulates and honorary consulates).

[Box, p 19]

If, on the occasion of the fifth anniversary of the establishment of the independent Croatian state a serious list of the most prominent state officials were written, Dr. Mate Granic, deputy prime minister and foreign minister, would certainly be at the very top of that list. Soon Dr. Granic will celebrate the second anniversary of his appointment to the position of head of Croatian diplomacy, in the four years that he has been holding office in the Government.

Before he took a seat in his office in Zrinjevac [a square in Zagreb where the Ministry of Foreign Affairs is situated], Dr. Granic had had to negotiate with "sympathetic" General Raseta about the lifting of the blockade around the barracks of the former JNA [Yugoslav People's Army] and its withdrawal. In that period, that is before holding the office of foreign minister, he organized accommodation for displaced persons and refugees. In the turbulent circumstances in these areas, it is perfectly clear that after the war seemed to abate the real work started for a foreign minister. In any case, one must mention the jobs connected with the integration of the Republic of Croatia into European streams, the establishment of relations with all international organizations as well as with a great number of countries, including the world powers. Of course, it was exceptionally important to pay special attention to the neighboring countries, near or far, because of the situation in Croatian occupied regions. One had to mediate in international circles, often not particularly inclined toward Croatia, in order to "prepare the field" for the negotiating process. There is also the implementation of the policy of the president of the Republic, Government work, domestic and international public and media public relations, parliamentary obligations... To write about everything that has happened so far is not gratifying, because of the dynamics of development and what has been done, and one would need many more sheets of paper to put it all down. In spite of many things worth mentioning, it is perhaps best to do it with the negotiations that made the signing of the Washington treaty possible. Nevertheless, if we take a global look, the most important objective, largely achieved, is the strengthening of the Croatian position in the world's "LEGO-puzzle" and the establishment of the credibility of Croatia as an independent state. There is one thing that certainly cannot be denied, and that is the incredible working energy of Minister Granic, and the fact, which has finally been confirmed by those international figures who have talked with the head of Croatian diplomacy—that Dr. Granic is a respected and accepted, trusted person. The appraisal of Mate Granic's European "air," and of his sense of communication, was even heard from one proverbially malicious mouth in international politics.

[Box, p 20]

At the moment, Croatia has been preoccupied with the problem of the reintegration of the occupied areas, and Slovenia with their worries linked to the negotiations with European Union, but I believe that this economic complex with Slovenia will be successfully solved. The

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only problem that remained in the framework of that complex is the one that has to do with Ljubljanska banka [Bank of Ljubljana], that is, with the part for which Croatia took the saving deposits over—when we talk about borders I think that the four kilometers of mainland border and the Bay of Piran still has to be solved. That means that approximately 80 percent of borders are not in question, and the remainder, I believe, can be solved if both State Commissions for Borders show good will. There is still the possibility of international arbitration, but I believe we, together, will find a decent solution.

Mujaheddin From FYROM En Route to Sarajevo

LD0406124695 Belgrade TANJUG in English 1149 GMT 4 Jun 95

[FBIS Transcribed Text] Belgrade, June 4 (TANJUG)—Muslim refugees, who stayed in the Former Yugoslav Republic of Macedonia [FYROM], will soon arrive in the Croatian port of Split on a ferry which also carries about 300 mujaheddin, the Croat Radio Herzeg-Bosnia reported.

The radio reported on Saturday that about 400 Muslim refugees after a three-year stay in the Former Yugoslav Republic of Macedonia left Albania on an Italian ferry heading for Split.

On arrival in Split, they will leave for Sarajevo (via Konjic, Tarcin and Mt Igman) and other Muslim-held territories.

According to the radio of Herzeg-Bosnia, the state set up by the Bosnian Croats in the former Yugoslav Republic of Bosnia-Herzegovina, the 300 highly-trained mujaheddin will join the military units of the Bosnian Muslim army.

'Constitutional Law' of 'Unified' Serb State

AU0506113095 Belgrade NASA BORBA in Serbo-Croatian 31 May 95 p 4

[Report by FONEM: "The State Coat of Arms—The Coat of Arms of the Nemanjic Family, and the Anthem—'Boze Pravde'"]

[FBIS Translated Text] Beograd, FONET—In the proposed constitutional law on the temporary constitutional arrangement of the Unified Serbian Republic (URS) that was approved by the Assembly of the Republic of Serb Krajina the day before yesterday, the URS is defined as a sovereign state of Serbian people that "remains within the federal state of Yugoslavia."

In the proposed text of the constitutional law of the URS, which has been sent to FONET, it is stated:

"The URS is a sovereign state of Serbian people based on the equality of all citizens, the granting and protection of human freedoms and rights in compliance with international standards, the division of power and parliamentary democracy, the multiparty system and free elections, the equality of all forms of property and market economy, local self-rule, and the protection of the rights of ethnic groups and other minorities."

"The URS remains within the federal state of Yugoslavia," the proposed constitutional law reads, and adds that "the territory of the URS is undivided and indivisible and comprises the territories of the unified republics."

The coat of arms of the URS is "the coat of arms of the Nemanjic family," the flag is "the Serbian tricolor flag," the anthem is "Boze Pravde" [God give us justice], and "until the constitution of the URS is passed, Sarajevo is the capital of the republic," the text of the proposed law reads.

"The citizens of the URS have the citizenship of the URS, of which they cannot be deprived, nor can they be exiled or extradited." "In the republic, the Serbian language and the Cyrillic script are in official use, and the Latin script only in a way determined by law."

The constitutional law provides for the URS to have an assembly and a president, who is at the same time the supreme commander of armed forces, as well as four vice presidents who can be members of the government. The president and the vice presidents are nominated by at least 20 assembly members and are elected in a secret vote by the assembly, by a two-thirds majority of the total number of all delegates.

The armed forces of the URS consist of the army and the units of the interior ministry. "No one has the right to accept or sign a capitulation, nor to accept or recognize the occupation of the republic or a part of it."

The constitutional assembly will pass the constitution of the URS within 60 days of the enactment of the constitutional law, and the president, the vice presidents, the prime minister, and the ministers of defense, of foreign affairs, and of the interior will be elected immediately, whereas other ministers and government members, nominated by the prime minister, will be elected within seven days of the election of the prime minister.

"Until the political agreement on the solution of the crisis on the territory of former Yugoslavia is reached, the identity of the Republic of Serb Krajina and the Serbian Republic in the commenced negotiations will be retained, and they will be represented by the presidents

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of the republics and the ministers of foreign affairs as separate organs."

"Existing laws will be applied until common URS laws are enacted, that is, until the constitution of the URS and the constitutional law for its enforcement are passed," the proposed constitutional law on the temporary constitutional arrangement of the URS states.

Krajina Army Reshuffle, Falling Morale Examined

AU0606070095 Belgrade POLITIKA in Serbo-Croatian 27 May 95 p 7

[Article by Radovan Pavlovic: "The Reason That Torbica, Novakovic, and Celeketic Have Left"]

[FBIS Translated Text] After the Serbian army of Krajina experienced another defeat (western Slavonia), the responsibility for that was again borne exclusively by soldiers. At his own request, Milan Celeketic was relieved of duty as commander of the General Staff of the Serbian army of Krajina [SVK] by the Supreme Defense Council of the Serbian Republic [as published]. In fact, the latest change in the Krajina top military leadership (the new general commander is Lieutenant General Mile Mrksic) points to the existence of a certain rule but also expresses the real situation in the Krajina Serb army: all commanders so far had left following the battles lost by sections of their army on some fronts.

In the past two and a half years, since the SVK was formed, the young state's army has not managed to maintain its border. Military analysts tend to claim that all that time, despite military defeats, nothing has changed in the SVK in the sense of it proving its defense capabilities, apart from resorting to frequent cadre reshuffling.

Policy and Defense

At the middle of 1992, Croatia carried out aggression on the Miljevac Plateau. The epilogue of this conflict, apart from the lost territory, was the replacement of Milan Torbica, commander of the army in creation. At the beginning of 1993, being encouraged by their successes, Croats also attack the Krajina's south, a massacre of civilians was perpetrated in the Medak pocket and Maslenica fell. The brunt of responsibility and guilt was shifted on the commander, General Mile Novakovic. The same fate was experienced by his successor, General Celeketic who, immediately following the 1 May western Slavonia crush, asked the Supreme Command to relieve him of duty for moral reasons.

Nothing has been achieved by these frequent, albeit obviously expected changes of most responsible SVK officers. The defense has not been stabilized, among other reasons, because changes in the top military leadership was followed by replacements of officers in the corps. Of course, nobody can deny that personnel rejuvenation is needed in the wake of a series of lost battles and that some officers, ranging from the highest ranking ones to detachment commanders, made cardinal mistakes and that they have not acted as was expected according to the defense strategy of the Krajina territories. However, the situation in the SVK ranks has been unstable for too long to be able to be improved solely through such cuts.

Namely, mistakes have been made not only in the headquarters but also in the lowest units, and people who are acquainted with the Krajina military situation see the main reason for the unsettled situation in the Krajina armed forces in political unrest and disturbances that have been affecting Krajina since its beginnings. The SVK is suffering from the same syndromes as the former JNA [Yugoslav People's Army]: the army lacks political support and the frequent bickering on the political plane—according to the system of who belongs to whom and whose line he champions—have had a negative impact on the army as well.

Difficulties of Filling Up Army Ranks

The main SVK problem is of filling up its ranks. A large part of able bodied men have fled to Serbia, army units have almost been decimated, so commanders of the corps have been confronted with the situation of having to send 60-year-olds, mainly untrained to boot, to the border. The SVK does not have a sufficient number of troops to defend the 2,000-kilometer long border, that is to say, most of the units have been engaged on the line of separation, so very few troops have been left in reserve.

What every commander of the corps tends to complain about is the morale of the troops. Lika Corps Commander Colonel Stevo Sevo says that "the troop morale is undermined by the awareness that while they are left back in the trenches, other people are getting rich in Serbia or are earning foreign money by trading in the rear." Of course, fighters themselves often deal in smuggling, which is made possible by their war schedule being in shifts: they would usually be guarding the border for seven days and then have the next seven days off to be used for a fishy trade which has apparently also caused the military breakdown in western Slavonia.

Apart from frequently replacing leading SVK officers, the RSK top state leadership had done nothing to make out of the people's army (a concept that did not prove itself to be the best solution to match the Croatian tactics of rapid strikes) at least a certain number of professional

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units, easily mobile maneuver units which could soften the sudden breakthroughs by Croatian units. True, since 1992, there have been attempts at forming storm units, but everything failed because the house was built from the roof: officers and equipment were brought in while units themselves were not formed.

Leader of Veteran Organization Interviewed

95BA0228A Mostar HRVATSKI LIST in Serbo-Croatian 7 Apr 95 pp 6-7

[Interview with Tomislav Mercep, president of the Association of Croatian Volunteers in the Homeland War, by Boris Cavar; place and date not given: "In May, We Will Pick Our Vukovar Cherries!"]

[FBIS Translated Text] The Croatian public does not have much chance to see him. He received the greatest exposure in the media for the heroic defense of Vukovar and later, when some people were trying to accuse him of alleged war crimes. He raised a storm with his election to head the Association of Croatian Volunteers of the Homeland War [UHDDR; refers to war of 1991], an organization considered to be an important factor in Croatia. He rarely speaks in the House of Representatives of the Croatian Assembly, where he is a deputy from the Vukovar-Srijem Zupanija, but when he says something, his every word registers and echoes with the people. Tomislav Mercep is an adviser in the Croatian MUP [Ministry of Internal Affairs], but he is a hard man to find, because he is constantly visiting chapters of the UHDDR. He is known to many fighters from all regions of Croatia and Herceg-Bosna and also to the families of defenders who were killed, because they come to him for help. Some object to him because of alleged extremism, but many fighters from the front say with pride that "we were Mercep's men," and we defended the homeland.

It is sufficient to say that the UHDDR has more than 200,000 members, that the defenders of Slavonia, Gospic, Pakrac, and Herceg-Bosna know very well who Tomislav Mercep is and stand behind him in spite of all the objections.

[Cavar] Mr. Mercep, Vukovar is being mentioned less and less by the Croatian authorities. Have the people of Vukovar been forgotten?

[Mercep] You have to realize that government is an imaginary concept in general. Vukovar cannot and must not be forgotten. Numerous documents testify to Vukovar, there is the testimony of 55,000 people of Vukovar, Croats, Hungarians, Ruthenians. Vukovar has its place in Croatian history and its future. I think that Vukovar continues to be an obsession of current Croatian politics, as is hope for the people of Vukovar.

[Cavar] The UHDDR which you head is becoming an active factor in Croatia?

[Mercep] The UHDDR has 300 chapters and branches all over Croatia. We have 250,000 members, and soon there will be 300,000 of us. We expect to be one of the most influential factors in current Croatian politics. Although there is not much about the UHDDR in our media, we hold large meetings with our sizable membership all over Croatia. There seem to be some people who do not like us to have media coverage, and we ourselves believe we have no particular need to emphasize ourselves in public. It is enough for us to know that Croatia rose up from a strong family, which is the future of Croatia. After all, even our volunteers' association is a strong family. We want influence through the Croatian family. But I think that the neglect of the UHDDR by the media is intentional. Whenever anyone does something, he would like it to be known, he would like the truth about that effort to be known. However, the real truth about the volunteers in the Homeland War is certainly not getting out the way the media have treated it up to now. Just as some people in Croatia sacrificed themselves in the Homeland War, their lives and their family, so others turned the war into something else. We in the UHDDR know who the hero was in the Homeland War, we know who did what in defense of the homeland. We in the association know who we are going to vote for in the next election.

[Cavar] You yourself are not very evident in the Croatian media.

[Mercep] Some people did not consider us politically suitable. I speak Croatian, in a way very understandable to the Croatian man. The truth is the hardest and hurts the most. I am not unhappy that I am not put forward in some of the media, which interprets in a very bad way the Croatian successes, all the Croatian desires and hopes. I will be happy and satisfied when I am put forward in a medium which lives and works for the Croatian man and people. I would not speak about accusations made in certain other media, because I do not carry on a debate with such people.

[Cavar] You made a statement three years ago: "Whoever gathers my cherries in Vukovar the third time is a dead man." The third spring has passed, what now?

[Mercep] Tomislav Mercep is very precise. I stated clearly that I cannot forgive a crime committed against Croats. The cherries are a symbol of Slavonia and Vukovar. Whoever dares to pick my cherries in Vukovar without asking me is going to have to pay for it. If I have occasion to collect from him personally for the atrocities committed, that will be the death sentence. Our cherries ripen in May, and there is some time

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yet. As you yourself see, there are many new things happening in Croatian political life. I personally am not an advocate of yielding and endless negotiation with the enemy. I trust the present political authority in Croatia, which ought to make the correct decision for the future of the Croatian people. That is why I believe in May or June of this year we can hope for a return to the occupied areas of Croatia. If it is otherwise, we should demand accountability for those who are not doing this, because we cannot wait forever.

[Cavar] You believe in the liberation of the occupied areas of Croatia.

[Mercep] I personally believe in the return of the Croatian displaced persons to their homes and in the liberation of the occupied areas of Croatia, by opting for war, militarily. But I hope that Dr. Franjo Tudjman, president of Croatia, and the Croatian Government will make the right decision in order to integrate the occupied areas of Croatia peacefully.

[Cavar] The UHDDR is mentioned as a partner of the Croatian Government, how come?

[Mercep] The UHDDR is at the moment involved in supporting its own members, because many volunteers need assistance, and we have no funds of our own. Our association was organized as a partner of the government in that we present our demands and the problems of the Croatian volunteers of the Homeland War.

In addition, we try to promote the Croatian Knights who up to now have gone unknown, which is a tragedy of our Homeland War. We are constantly founding new chapters and branches of the UHDDR.

[Cavar] You have said that 150,000 volunteers are ready to take back the occupied areas of Croatia, that they are just waiting for a signal.

[Mercep] We do not need 150,000 volunteers, 25,000 of us are enough if we join the Croatian Army [HV] and the MUP in liberating the occupied areas. I say with full responsibility that that part of the task, if we are given it, will be done by the volunteers with the greatest precision and excellence on behalf of the future of Croatia. We are ready both morally and materially for such a mission; we are only waiting for a signal from those in positions of responsibility.

[Cavar] People from Slavonia, from Vukovar, from all over Croatia, military people, civilians, displaced persons are always waiting at your door. They all say: We are going to see Mercep, he can help us.

[Mercep] The Croatian administration is suffering from a legacy of sluggishness and a certain size. I am able to help those who have suffered. At times, I am critical of that group of people who are operating through the departments of the Croatian Government and do not realize the need of the Croatian individual to solve his problems more easily. Even though that more rapid way goes against my view of creating the Croatian state, I feel I have an obligation to help everyone insofar as I can. I try to keep contacts open with the relevant minister and certainly the officials find better solutions to the problem on the basis of my recommendation. Various people come to me, but mostly they are from Vukovar. I would be happy if Croatia stood on its own borders, and the people from Vukovar pledged themselves and everything they have to a better and happier future for themselves and their families. I am in favor of bringing our torture to an end, regardless of the consequences. My view is that we Croats from the occupied areas can sacrifice ourselves once again for Croatia. We can once again clear up this situation of neither war nor peace and undertake renewal.

[Cavar] How are we to get out of this state of neither war nor peace?

[Mercep] Croatian policy must be certain of the strength of the Croatian man. We defeated the Yugoslav Army almost without weapons, we showed the world how the homeland is defended. We used the strength of the UNPROFOR [UN Protection Forces] to show UNPROFOR's weakness and as proof that they are sponsors of atrocities that have been occurring in our occupied areas. It is a crime to prevent Croatian fighters from going to the aid of Bihac and other places in Bosnia-Herzegovina. That is a reflection of the ineffectiveness and immorality of the UNPROFOR. We feel that we have the right to liberate our country and to live as befits a human being. We took advantage of our historical opportunity, and I believe that we will improve on it. Just as I believe in the liberation of Croatia, I also believe in guaranteeing a future to Croats in Bosnia-Herzegovina and also to Croats in other states of the former Yugoslavia. We will be guided by the logic of reciprocity. I want to see Croatia in Europe, which is where it belongs, free, rich, and strong. After all, it is only your strength that commands respect.

[Cavar] From what we have learned unofficially, they called for you to come for the fiercest battles against the Serbian aggressor in Herceg-Bosna, for you to come and help.

[Mercep] They called for me in Bosanska Posavina and certain other areas of Herceg-Bosna, but the invitation was unclear and was sent to the wrong address. But there were quite a few volunteers in Herceg-Bosna and still are, because they come from those areas. I person-

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ally am ready to help myself, in both moral and human terms. Herceg-Bosna is one of the fundamental entities of the Croatian people in Bosnia-Herzegovina. That is why it should be strengthened until the Federation of Bosnia-Herzegovina is established, until all the legal details have been settled and are respected in the Federation of Bosnia-Herzegovina and the confederation to follow with Croatia.

[Cavar] Do you intend to establish your chapters in Herceg-Bosna as well?

[Mercep] The Association of Volunteers is an organization of all Croats who defended their homeland, regardless of where they live. Dario Kordic, who has a high position in the HR [Croatian Republic] Herceg-Bosna, is also a vice president of the UHDDR. Although Herceg-Bosna has its own organization of volunteers and veterans, we do intend to establish chapters of the UHDDR in certain parts of Herceg-Bosna. After our convention in May, we are supposed to found a chapter in Bosanska Posavina. Quite a few Herzegovinians fought in Vukovar, and there were quite a few Croats from Bosnia-Herzegovina living in the former Vukovar Opcina. We need to be a bridge with Herceg-Bosna even in the economic rebirth of those areas. A border cannot divide us, but should link us, because we belong to the same Croatian body.

[Cavar] Ivan Bonus, a folk poet, a displaced person from Srijem, who before the war was working in Herzegovina to promote the HDZ [Croatian Democratic Union], has joined you in meetings of volunteers. What is the origin of that connection?

[Mercep] The folk poet Ivan Bonus is a displaced person from Srijem, and I have quite a few ties with Srijem, as I do with Herzegovina and other Croatian regions. He was one of the first to join me, and even before the war he was taking part in election meetings of the HDZ in Herzegovina. Although born in the plains, he has written several poems about Herceg-Bosna. This exceptional man and folk poet says what every man and every Croat is thinking, and, just like other people from Srijem, he experienced the tragedy of being driven out of Serbia. Ivan Bonus presents his poems, which belong to all Croatia, and the volunteers have accepted him.

[Cavar] As a native of Vukovar, tell us what kind of problems are faced by those driven out of Vukovar aside from those material problems.

[Mercep] I was born in Borovo Naselje, and I lived in Vukovar. My father was from Sestanovac, near Omis, and my mother from the island of Brac, so that I am a Dalmatian by descent. About 55,000 people are displaced from Vukovar, not just Croats, but other nationalities as well. Aside from those material difficulties, the people from Vukovar also face a great longing for their home, as do all the other displaced persons. Perhaps those from Vukovar have the right to a bit more longing, but that is really a problem, as are the other problems that come when a man has been driven from his home and has no specific duties. That is why there are times when even a small sign of attention and a consoling word can help him. I am sorry that I have not had very much free time, so that sometimes my people from Vukovar and others have to wait to see me, but I try to receive and help them all.

[Cavar] What do you say to the accusations of some people that you are a war criminal?

[Mercep] Beauty is in the eyes of the beholder. Those who attack me and accuse me of being a war criminal would worry me greatly if they had praise for me. I have not always favored a community of all Croats at any price. Let Croats who want to create a state go to one side and Croats who are calculators go to the other. Perhaps that would be best for Croatia and for all the others.

For me, there are enemies, those who have attacked my homeland and killed my people. I fought against such people, and I will always fight them, and we know quite well who the aggressors against Croatia were. For me, there are political opponents, those who do not think as I do. Of course, we cannot all think the same, and I talk to them with political arguments, with political dialogue, and with conversation man to man. But for me, unfortunately, there are also those who are not advocates of the Croatian state. I do not want to have any contact whatsoever with them.

[Cavar] In Serbia, they accuse you of being a war criminal, and individuals and the "yellow press" in Croatia keep harping on it.

[Mercep] I laugh at all that. If the Serbs and chetniks praised me, I would be ashamed before my father, my faith, and the Croatian people to which I belong. We know, after all, what the chetniks did in Croatia and Bosnia-Herzegovina. I am not referring here to those honest Serbs who, though there were not many of them, joined us in defending Vukovar and other Croatian cities. Such people will always have a place in Croatia, as will those who did not want to go against the Croatian people and state. But we say little about such people. I would ask those in Croatia who keep bringing up the charge that I am a war criminal what kind of crime it is to defend one's own and where they were when we were fighting? Actually, the accusation is made by the Serbs or domestic traitors, it does not matter, they are all working against Croatia.

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[Cavar] Finally, do you have any message for the Croats of Herceg-Bosna?

[Mercep] My message to the Croats of Herceg-Bosna is that they agree. They have to believe in the joint strength of the Croatian man and the future of the Croatian man. The strength of the Croats lies in concord. I do not trust those Croats who beat their breast and issue thundering statements to the media, but when it comes to deeds, you can look right through them. Croats are recognized by their deeds.

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PRC Delegation, Sejm Commission Hold Talks

LD0606113495 Warsaw PAP in Polish 1013 GMT 6 Jun 95

[FBIS Translated Text] Warsaw, 6 Jun—A delegation of the Foreign Affairs Committee of the Chinese National People's Congress and the Sejm Foreign Affairs Commission today discussed the development of Polish-Chinese economic relations and the issue of human rights in China.

"Poland attaches importance to its relations with China," Bronislaw Geremek, chairman of the Sejm commission, said during the meeting. He stressed that a favorable climate has been created recently, especially for the development of mutual economic relations. He said that Poland and China have similar views on fundamental issues of the world today.

Zhu Liang, chairman of the Foreign Affairs Committee of the Chinese parliament, drew attention to the fact that at present the two countries are facing similar problems to be resolved. Zhu Liang hopes that the coming visit to Poland by Chinese Premier Li Peng will enliven the economic exchange even further.

Zhu Liang let it be known that Polish-Chinese trade has not yet reached the pre-1990 level, but several dozen Chinese companies are already investing in Poland either alone or in cooperation with Western firms. The Chinese authorities are promoting exports to Poland and investment there.

In reply to a question by Piotr Nowina-Konopka, General Zhu Zhin, a member of the Chinese delegation, said that the PRC authorities do not only care about the development of the Chinese economy but also about democracy and the observance of human rights. "The Government of China is a democratic government," the general said. According to him, the events of 4 June 1989 in the Chinese capital were, among other things, the result of a "disgraceful plot by both domestic and foreign elements."

The chairman of the Chinese delegation conveyed an invitation to the Sejm Foreign Affairs Commission to pay a visit to the PRC.

Foreign Minister Comments on NATO Prospects

LD0506222695 Warsaw Third Program Radio Network in Polish 2100 GMT 5 Jun 95

[FBIS Translated Text] Foreign Minister Wladyslaw Bartoszewski has said during a meeting with representatives of the Atlantic Club that Poland is not passively awaiting the decisions of NATO on the matter of our membership. He admitted that next year the criteria may be formulated which must be fulfilled by future new members of the pact. Professor Bartoszewski stressed that Poland ought to show the greatest possible stability with regard to the issue of international security.

[Begin Bartoszewski recording] For us the road is clear. That is, I say to those like myself, there is a single Polish foreign policy in the West and in the East, the basis of which is to think about ourselves as a future member of the alliance of democratic states, that is NATO. Our road to NATO is not against anyone, only on account of a certain system of our thinking, a cultural and civilizational option, and that is why we want to enter into an agreement with the best insurance in the European market. I recently told Minister Kozyrev that, as of now, I know of no better system which has been tried—without the use of force and without any incursions by tanks—anywhere at all. So, if he knows of such a system and can name it for me, I will consider it very seriously indeed. He was not forthcoming with any opinions, and we took our leave in friendship. [end recording]

Majority Believe Country Will Join NATO

WS0506123495 Warsaw ZYCIE WARSZAWY in Polish 4 Jun 95 p 4

[Report by "NIKA": "OBOP: Poles on International Situation; Young People Believe in Quick Integration With NATO"]

[FBIS Translated Text] *Opinions on our integration into NATO and evaluation of Russia's policies were the subject of an opinion poll conducted by the Center for Research on Public Opinion [OBOP] in May. Most of us believe that Poland's integration into NATO is only a matter of time. Views on Russia and its relations with our country are far more diversified.*

According to 81 percent of respondents to the OBOP poll, Poland will sooner or later be admitted to NATO. More than half of the respondents believe that this will happen in a few year's time at the latest; one in five thinks we will join NATO in more than a dozen years.

The more educated the respondents are, the more convinced they are that Poland will eventually become a NATO member. The conviction is greater among respondents who live in bigger towns and cities. The most optimistic in this respect are young people—as many as 63 percent of teenagers and 43 percent of the oldest inhabitants of our country believe that Poland will become a full member of the organization in a few years' time.

According to most respondents (61 percent), in Poland's current international situation there is no threat of war

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to our country. One in four respondents is afraid of an armed conflict.

The research was carried out immediately after Belarus held a referendum in which a large majority of the citizens of this former Soviet republic supported the idea of developing closer links to Russia: restoring the status of official language to Russian, restoring the symbols of the Belarus SSR, and giving the president powers to dissolve parliament.

Most commentators interpreted the results of the referendum as a sign that the former empire is reconstructing itself. However, 46 percent of the Polish people believe that a rebirth of the former Russian empire is not possible. Nonetheless, only slightly fewer people (39 percent) are of the opinion that restoration of Russia's former borders may be quite possible.

The very rapprochement of Russia and Belarus caused slightly more controversies. Of the respondents, 39 percent expressed the fear that the results of the referendum might be a threat to Poland's security. According to 41 percent, such fears are unfounded.

Currently, 58 percent of the respondents are convinced that Russia wants to limit our sovereignty; one in four respondents expressed an opposite view.

The research was conducted by OBOP between 13 and 16 May on a representative 1,081-person random sample of adult inhabitants of Poland.

Is the rebirth of the Russian empire possible?

	Percent
Probably	30
Probably not	34
Definitely	9
Definitely not	12
Hard to tell	15

Budget Projections for 1996 Presented

WS0606113895 Warsaw RZECZPOSPOLITA in Polish 5 Jun 95 p 1

[Report by "K.J.": "Budget Projections for 1996: A Deficit of 9.5 Billion Zlotys, Tax Rates Still Not Decided"]

[FBIS Translated Text] Budget projections for 1996 prepared by the Ministry of Finance anticipate that prices on consumer goods and services will grow by 17 percent next year. The projections say nothing of increased income tax rates, neither do they mention their being lowered. This means that we would continue to pay 21, 33, and 45 percent tax on our incomes. The ministry might suggest a progressive growth of the basic VAT rate on electricity and gas instead of raising it abruptly, in one fell swoop, from 7 to 22 percent.

Our own calculations show that since the budget is not to exceed 2.8 percent of GNP, and GNP is expected to grow by 5.5 percent (reaching approximately 330-340 billion zlotys [Z]), then:

—the budget deficit will reach Z9.5 billion;

—expenditures will have to reach an estimated Z119.5 billion;

—revenues will attain a level of Z110 billion.

The Finance Ministry assumes that electricity prices will increase next year by 12 percent, gas—by 14 percent, hot water and central heating—by 18 percent, medicine—by 17 percent, and alcohol—21 percent.

Apart from the projected growth of administered prices, the VAT on gas and electricity is also expected to grow. The currently effective VAT law states that the tax would be raised from 7 to 22 percent. It has still not been decided, however, whether the Finance Ministry will suggest a gradual growth of the basic rate over a period of three years. It could, for instance, introduce a 12 percent rate on gas and electricity for 1996 (not necessarily amending the VAT law, but merely including a relevant provision in the budget-related laws). Until recently, such projections seemed quite realistic.

It is still unknown, however, whether the government will succeed in decreasing the 5-percent import tax to 3 percent, or whether it will be forced to abolish it altogether so as to improve the balance of payments. It has now been settled, on the other hand, that unless the system of pension indexation is changed the Social Security Agency alone will need over Z10 billion (more

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than is required to finance the projected budget deficit), and the entire social security system—twice as much, Z20 billion.

As we have established, the Finance Ministry is not planning to change the pension indexation system in 1996, which means that pensions will continue to be indexed according to the growth of salaries. The average real salary in 1996 would grow by 3 percent. Salaries in the public sector would grow by more than 4 percent, and in enterprises where pay is negotiated in 1996—by approximately 3 percent. Nominal average salaries in the domestic economy would grow by 23.4 percent, and in the public sector—by 25.1 percent.

The Finance Ministry projects that GNP will grow by 5.5 percent, thus auguring a successive year of substantial economic growth. Individual consumption would grow by 3.5 percent, while mass consumption would rise by one percentage point less.

According to ministry projections, the zloty will be devalued in relation to the currency basket by less than 1 percent per month.

On the [television] program "One Hundred Questions to..." yesterday, Grzegorz Kolodko did not exclude the possibility that pensions may be indexed by as much as 17 percent as part of this year's second indexation process.

Government Economic Committee Criticizes NBP

WS0606122295 Warsaw RZECZPOSPOLITA in Polish 6 Jun 95 p 8

[Article by Mariusz Ignatowicz: "Economic Committee of the Council of Ministers Hold Session; Ministers Criticize NBP"]

[FBIS Translated Excerpt] The Economic Committee of the Council of Ministers [KERM] approved on 5 June the general directions of changes included in the "Main Points of the Draft Law on Real Estate"; it also submitted a motion requesting that the document be supplemented with a preliminary opinion from the government's plenipotentiary for European integration and foreign aid. KERM also approved and recommended to the Council of Ministers the "Evaluation of the Functioning of the Banking System." The committee was very critical of the document, drawn up by the National Bank of Poland [NBP], which presents the situation of Polish banks in 1994.

Work on the main points of the draft law on real estate will be continued by the Legal Committee of the Office of the Council of Ministers and presented at the last session of the committee in June.

Criticism of the NBP

According to the government, the document concerning the Polish banking system lacks a comparison of the principles of functioning of Polish banks and banks that are operating in West European countries. Nor are there any data which would prove that the NBP has made efforts to strengthen the position of domestic banks. The government emphasizes that Polish banks should work out good loan-granting procedures and improve the asset structure: In this sector the share of loans in total assets is decreasing, as is the total amount of money in loans, after inflation is taken into account; changes in interest rates are made too rarely.

The KERM announcement states that in the documents submitted by the NBP there is absolutely nothing about the policy of interest rate and exchange rate fixing, as well as about the factors that the central bank takes into consideration when it specifies those rates. Nor is there any information about activities related to the privatization of banks and evaluation of how they have implemented the provisions of the restructuring law. The document does not include an analysis of direct costs incurred by the State Treasury as a result of bankruptcies or attempts made by the NBP to rescue banks.

According to KERM, the NBP document does not contain an objective evaluation of the functioning of banking supervision. The fact that the General Inspectorate of Banking Supervision was not active enough caused many negative economic consequences (e.g. Agrobank, Rolbank, cooperative banks). This, among other reasons, is why the government considers it advisable to make banking supervision independent of the NBP and of state administrative organs.

It is worth recalling that the government pointed to the need to separate banking supervision from the NBP some time ago—when the draft law on the NBP was being discussed. This draft law will be discussed again at one of the next KERM sessions.

KERM also criticized the NBP for combining functions of ownership with those of supervision, which is not good for the economy because it makes it possible to treat some banks on preferential terms. In addition, the evaluation does not contain any information on plans concerning these banks.

Opinion of the NBP

According to the central bank, most of the information which the government claims should be included in this evaluation, was already included in the report on the implementation of financial policy in 1994. Ewa Sleszynska, director of the General Inspectorate

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of Banking Supervision, said in an interview with RZECZPOSPOLITA that it was a misunderstanding to expect that it would be possible to compare the functioning of the banking system in Poland with the system in West European countries without evaluating the economies of these countries as well. She stated that the task of banking supervision is also to guard the security of the entire banking system, first of all—to protect those who deposit their money in banks. Individual bankruptcies of banks, for which the Polish banking supervision is held responsible, is not unusual in developed countries as well. [passage omitted]

Bank Head's Chances of Running for President Grow

WS0506115895 Warsaw GAZETA WYBORCZA in Polish 5 Jun 95 p 4

[Article by Wojciech Zaluska: "The Right Wing's Presidential Game of Patience: Ace, Queen, and Jack"]

[FBIS Translated Text] The president of the National Bank of Poland [NBP] is gradually becoming one of the most serious presidential candidates. Hanna Gronkiewicz-Waltz is, however, laying down certain conditions: She will not compete against Lech Walesa and will be the right wing's only candidate.

The Chief Council of the Christian-National Union [ZChN] almost supported Lech Walesa's candidacy for the upcoming presidential elections on Saturday. The majority of ZChN leaders opted for the motion. The vote of ZChN Chairman Ryszard Czarnecki tipped the scales. He asked his colleagues to postpone the decision for several weeks as it is highly probable that Hanna Gronkiewicz-Waltz will run instead of Walesa.

The NBP president was enthusiastically greeted by the rightist St. Catherine's Covenant on Friday.

Nevertheless, Hanna Gronkiewicz-Waltz is still hesitating. She continues to state that she will run in the elections if she has the support of a large political camp and will not have to run against Walesa.

Who Will Piece It Together?

Lech Walesa and Adam Strzembosz are currently the two candidates that count most on the right. The Center Accord, the Conservative Coalition, the Conservative Party, the Peasant Christian Party, and the Peasant Accord stand united in support of Strzembosz. The rest of the so-called patriotic-independence camp are watching opinion poll results. They show that support for Walesa and Strzembosz has now attained the stable level of only 8 percent. This may not suffice for making it to the second round of elections.

Hence the need for a "third solution"—a candidate capable of piecing the constituencies of Walesa and Strzembosz together. The leaders of Solidarity, ZChN, small parties within the Covenant, and some of the church hierarchy are looking for such a candidate.

Czarnecki was the first to come up with Hanna Gronkiewicz-Waltz's name in public. Primate Glemp and Solidarity Chairman Krzaklewski then met with the central bank president. The ZChN chairman recently told GAZETA WYBORCZA: "Walesa's supporters and opponents, Solidarity unionists and farmers, those who point to Andrzej Olechowski in the opinion polls, and a part of the Freedom Union's constituency would all vote for her."

She Is Hesitating and He Is Hesitating

Hanna Gronkiewicz-Waltz is waiting for Walesa to make his decision. If he backs out, she will run. She is obviously eager to do that.

During the meeting at St. Catherine's Covenant, the Christian-Democratic Labor Party and the Polish Union suggested she take part in the rightist preelections (the so-called conclave). She did not refuse.

Meanwhile, a large part of the right wing is trying to persuade Walesa not to run in the elections. "He would only cause the constituency to split further," warn politicians from ZChN and the Covenant in conversation with GAZETA WYBORCZA.

One of them revealed that during the recent pilgrimage to Piekary Slaskie, Krzaklewski tried to convince Walesa to support the NBP president.

Rumors from Belweder sources have it that President Walesa planned to announce he is running three times already, but decided against it. He is also closely following the popularity polls. He is waiting for some good news.

Supporters of the NBP president are trying to make it easier for Walesa to make his decision: They are suggesting he head the bloc that emerges in the course of the campaign.

Four Deals

Nothing has been decided yet. There are four probable scenarios:

—Walesa will run and Strzembosz will be the right wing's other candidate;

—Hanna Gronkiewicz-Waltz will compete against Strzembosz instead of the incumbent president;

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—Walesa will approve of her candidacy, her popularity in opinion polls will soar, Strzembosz will back out;

—Strzembosz will rank higher in opinion polls and the NBP president will back out.

Sow and Thou Shalt Reap...

Without waiting for the problem to resolve itself, the right wing has begun to canvass for support for its candidate(s) in the second round of elections. It is looking for votes primarily in Catholic rural areas, and has therefore orchestrated a rapprochement with the peasants. Franciszek Stefaniuk, deputy chairman of the Polish Peasant Party [PSL] Parliamentary Club, was recently invited to a congress held by the Confederation for an Independent Poland. ZChN is attacking the Democratic Left Alliance [SLD], while sparing the peasants. A meeting was held several days ago between the St. Catherine's Covenant and [Sejm] Speaker Jozef Zych.

The right does not believe a PSL candidate can make it to the second round. It claims it can win the support of rural communities. The presidential elections of 1990 have shown that farmers heed the priests in their parishes, and they tend to support the right. If the rightist candidates are moreover supported by PSL activists—then who knows? That is why the Covenant has asked Speaker Zych to schedule the elections for late fall, after the harvest season. Voter participation in rural areas would then be higher.

In the first round of elections, PSL and rightist candidates will run against each other. The leaders of ZChN and St. Catherine's Covenant told us they would prefer to have former Prime Minister Waldemar Pawlak as an opponent.

They predict he will do worse than Sejm Speaker Zych, thus taking less votes away from them.

Moreover, Pawlak is in conflict with the SLD. His campaign will be directed against the coalition partner. Breaking up the current structure of power means elections will be held earlier. And the right wing wants that very much.

Poll: Majority Backs French Presidency Model

WS0506134695 Warsaw GAZETA SWIATECZNA in Polish 3-4 Jun 95 p 4

[Article by KNYSZ: "CBOS: A President That We Want; As in America, as in France"]

[FBIS Translated Text] Which model of the presidency do we like more: The American model, where the president has executive powers, or the French model, where the head of state has the power but does not rule? In Poland with each passing year there are increasingly more supporters of equipping the president with all the executive powers.

In the fall of 1993, after the parliamentary elections, 22 percent assessed that the power of our president was insufficient. Six months later such an opinion was expressed by 27 percent, whereas now it is voiced by 32 percent. At the same time the number of those who would like to limit the president's powers decreased.

President With a Lot of Power

Other data suggest that 52 percent believe that the ideal model is one in which "the president does not directly steer the work of the government, but has a lot of power." According to 38 percent, "the government and the president should have a more or less equal amount of power."

It seems, therefore, that the French model is the one that suits Poles best: The president has real power, but does not directly steer the work of the government. Such a model is supported most often by managerial cadres, the intelligentsia, white-collar workers and lower-level employees, public sector employees, as well as school and university students. Most of them have rightist views.

President With Little Power

The cabinet-parliamentary system, one where the president has only little influence on the governing of the state, is the best solution for only 16 percent. This model is supported by inhabitants of big towns and cities, people with higher education, and peasants; most of these people have leftist views.

Representational Mediator

If, however, respondents are asked bluntly what powers the president should have, it turns out that as many as 88 percent of the respondents want the head of state to fulfill primarily representational duties.

Those who would gladly give executive powers to the president are in the minority. Only 18 percent would entrust the president with the task of running foreign policy. Still fewer—13 percent—would like the president to be the commander in chief of the Armed Forces; one in 20 would like him to run the Office of State Protection and the police. According to 44 percent, the president's powers should be confined to controlling the authorities, that is, the government.

What should the president do, then? Here is what the respondents would include among his duties: taking care of the interests of the people (57 percent), mediating

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between the government and the Sejm (37 percent), and settling strikes (26 percent).

President With Certain Features

Honesty is the feature that Poles (62 percent) value most in the president. Intelligence comes fifth (41 percent), patriotism—eighth (31 percent), diligence—10th (21 percent), and civil courage—14th (13 percent).

Respondents would think highly of the president's competence (such as knowledge of the country's social and economic problems)—this is important to 76 percent. Forty-four percent of the respondents want the president to have a lot of legal knowledge, 39 percent—to be sensitive to people's problems, 37 percent—to be able to settle disputes, and 19 percent—to be tolerant toward people who have differing views.

President and Names

Lech Walesa's constituents support a strong presidency: The president steers the Armed Forces and foreign policy, and controls the government.

Those who want to vote for Aleksander Kwasniewski prefer the cabinet-parliamentary model, where the president is relatively weak and the government strong.

Tadeusz Zielinski attracts supporters of a president who at the same time is a mediator among the supreme organs of the state; Jacek Kuron's voters want the president to be a mediator between the authorities and the people.

Supporters of both candidates prefer the French model.

The electorate of Adam Strzembosz is dominated by supporters of a president who fulfills representational functions.

The poll was conducted by the Public Opinion Research Center [CBOS] between 5 and 10 May on a representative 1,203-person sample of adult Poles.

Poles Arm Themselves Against Rising Crime

95EP0093C Warsaw PRAWO I ZYCIE in Polish 25 Mar 95 No 12, p 800

[Article by Piotr Krupa: "Poles Arm Themselves"]

[FBIS Translated Text] On Monday 13 March a bomb exploded in a villa at Marki near Warsaw. Two men died. One of them, Czeslaw K., is thought to be linked to the Warsaw underworld. This was already the 11th bomb blast this year.

We are becoming a gun-toting nation.

According to Senior Police Commissioner Boleslaw Stanejko of the Police Headquarters, the boom for arms is continuing. His statement is confirmed by statistics: In 1993 the number of firearms permits was 5,042, compared with 3,534 a year previously.

A Panacea for Fear?

The most oft-mentioned reasons include the feeling of insecurity, which in the opinion of Inspector Adam Palafij, verges on psychosis and has led to the rise of a kind of fad. There is no dearth of supporters of the American way, among whom Lech Falandysz, who advocates it on television, is one of the best known. In a discussion with Justice Minister Jerzy Jaskiernia, he advocated civil self-defense, which is to include easier access to arms.

The president's former legal counsel [Falandysz] argued that criminals already have arms anyway. Likewise, "the First Cowboy of the Polish Republic," W. Cejrowski, the host of the "WC Kwadransa" show [Cejrowski is called a "cowboy" because of his style of dress and flamboyance. The program "WC Kwadransa" means "Fifteen Minutes of Christian Values"], is openly advocating the arming of citizens. A substantial segment of the Polish power and money elite is already doing it quietly on its own. Members of parliament who bear arms are numerous enough for two platoons, if not for a company. Some of them have already used their guns in various situations: Jerzy Dziewulski, to foil the theft of his car; and Aleksander Gawronik, during a nocturnal meeting with a supposed blackmailer. Others confine themselves to declarations; for example, Bogdan Pek admitted that he keeps his gun with him even inside the Sejm building.

Proponents of self-defense readily point to such incidents as the one in Izabelin near Warsaw, where a man defended himself, his wife, and his property by shooting at assailants. His luck was greater than his skill, a Warsaw policeman commented, on pointing out that the man happened to buy that weapon earlier on the same day as a holiday present for himself. Generally, however, before one has time to get his firearm from its hiding place or from a safe, it is already too late. This opinion is confirmed by the notorious murder of Piotr Jaroszewicz and his wife. Alicja Jaroszewicz was shot with a hunting rifle and her husband was overpowered by the robbers even though, it seems, he had the time to get hold of a Duo-type Yugoslav handgun (a version of the famous Beretta) and there were altogether 11 firearms at his home.

The police generally disagree with the notion that private gun ownership contributes to the growth of public security. The point out that criminals fairly often assault people with the object of acquiring weapons. It

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might be said that private individuals have taken over the role of the elderly factory guards who for years used to be the favorite source of weapons for criminals. Police statistics mention 273 cases of theft or loss of weapons by physical persons. This number is rising (compared with 162 cases in 1993), chiefly owing to the capacious "black market" for weapons.

The resulting situation is viewed gloomily by, among others, the sociologist Pawel Moczydlowski. "Copying the Americans in this case is truly an insanity. I just do not know whether the problem will become obvious once anyone who wants a gat keeps one at home or after the number of shooting victims in Poland becomes proportionately close to that in the United States," said the former prison system head.

History Repeating Itself

Another and even stronger reason for worry to guardians of law is the use of firearms in family and social quarrels. At Ostrzeszow a family quarrel on New Year's Eve ended with shots being fired at a departing car. The driver was killed and the female passenger wounded. Similarly, a jealous SGH [Main School of Commerce] student resorted to using a gun during an argument; he shot at his girlfriend three times.

Some analogy can be perceived here with the 1930's when the press began to sound the alarm owing to the frequent use of firearms in such situations. There was, for example, the sensational killing of her lover by Princess Woroniecka, or the shots fired by Stanislaw Strumph-Wojtkiewicz in the offices of KURIER WARSZAWSKI.

In that era, when duels were still an occurrence, some rules applied. Thus, the Speaker forbade the deputies to bear arms while in Sejm, and the carrying of firearms in courts of law also was prohibited. In the present era, reporters of a 1983 kidnapping trial described a suspicious bulge under the sweater of one of the accused. Although a rather restrictive law of 1961 is still binding and the police have declared their will to restrain the arms race, it seems to be going on, the more so considering that the desire to be armed has ceased to be a symptom of "machismo" alone: On 8 March, in the fourth year in a row, ladies from the as yet only Women's Sharpshooter Association participated in the Rose Markmanship Contest at Smigiel.

[Box, p 800]

Last year, 554 firearms were lost, of which 170 were assault pistols and revolvers. One thousand and forty crimes involving the use of firearms were perpetrated, of which 77 were homicides and 963 robberies.

Armed Assaults (in 1994)

Age of Perpetrator	Number	Percent
Up to 16	57	11
17-20	110	22
21-24	129	26
25-29	108	22
Over 29	83	19
Total	487	100

Assaults Involving the Use of Firearms in 1990-94

1990	1991	1992	1993	1994
92	167	338	559	963

In February 1995, a total of 235 criminal prosecutions for armed assault was initiated; this is nearly twice as many as in February 1994.

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Officials View NAA Report on NATO Expansion

AU0506194695 Bucharest CURIERUL NATIONAL in Romanian 30 May 95 p 3

[Article by R.F., O.T., A. Dumitrascu, and V. Ciutacu: "The AAN Session in Budapest—Reactions to Karsten Voigt Report"]

[FBIS Translated Text]

NATO Has Not Prepared a Timetable of Its Expansion

So far, NATO has not elaborated a timetable for receiving new members, U.S. Deputy Secretary of State Richard Holbrooke stated on 29 May during the plenary session of the North Atlantic Assembly [NAA] held in Budapest, Hungary. He also said that the alliance has no intention of presenting such a timetable, because it is convinced that this would have an undesirable effect on the expansion process, the MEDIAFAX correspondent in Budapest reported.

Ioan Mircea Pascu [secretary of state in charge of defense policy and international relations in the Ministry of National Defense]: What Happened in Budapest Should Be Regarded Most Seriously

First of all, I would like to mention that, at least for me, the issue does not come as a surprise. If you remember, as early as the end of last year, I publicly drew attention to certain intentions to have Romania placed in a disadvantaged position in relations with the countries of the Visegrad group regarding admittance to NATO. Moreover, since then, our official activity has been focused on fighting this tendency, which is now coming out in force (what a coincidence?!) precisely in... Budapest.

Without dramatizing the situation—in fact the NAA Assembly recommendations have a consultative quality (another coincidence, just like the recommendations of the Parliamentary Assembly of the Council of Europe?!)—I wish to draw attention to possible consequences of such positions, hoping that the Western planners will at least take note of them. I am referring to the possibility that, by moving along the same discriminatory line (which is in contradiction with both the assurances that "we all have equal chances" etc., etc., etc., and with the realities of implementing the Partnership for Peace program, an act in which Romania is at the forefront), we could face a situation in which the idea of joining NATO would be discredited in the eyes of the Romanians, who might start regarding it more and more as a way of holding Romania at bay in the international arena, while the idea of territorial autonomy based on ethnic criteria is being arranged at the domestic level. Moreover, if we extrapolate further, it is not excluded that some, mainly the Romanians beyond the Carpathian Mountains, might interpret the Romanian authorities' current reticence to accomplish the goal of national interest for our country, namely, integration into the European and Euro-Atlantic structures, as a desertion that, theoretically speaking, would have important consequences for our country's unity.

And ultimately, what happened in Budapest might also raise questions about the validity of the German pledge, expressed quite firmly just a little while ago, to support Romania in its efforts to integrate into the European and Euro-Atlantic structures.

However, I must repeat that, without dramatizing the situation, I believe that, on the whole, the Budapest event must, nevertheless, be treated most seriously because, even if it does not mean the end of the game on admittance to NATO, it reflects the presence of certain currents of opinion that are not favorable toward our country and that cannot simply be ignored, either by the government or by the opposition, as they have done so far. And it would be an abominable act if they did so!

Vasile Vacaru of the Social Democracy Party of Romania: We Must Fulfill the NATO Requirements

As we could very well notice, the report of Mr. Karsten Voigt, NAA chairman, which was drafted together with a special rapporteur, the Hungarian delegate Tamas Wachsler, represents only one of the opinions that were formulated in connection with NATO expansion. This is not a tragedy. There is also an important movement within NATO that is pleading against differentiations among Central and East European countries and that supports the idea that only the simultaneous admittance of those countries represents a sure guarantee for European stability. What I regard as most important for us at the moment is to identify those forces that are hostile to us and those that are favorable towards us, the way they regard the issue of Romania's admittance to NATO, and the means through which we could influence their opinions. Apart from this, I believe that we should mainly concentrate on fulfilling those requirement that have been set by the North Atlantic security organization.

Radu Vasile of the National Peasant Christian-Democratic Party: The Current Leadership of the Country Is Also Guilty

The PNTCD [National Peasant Christian-Democratic Party] took appropriate note of the fact that Romania is not included among the potential candidates for integration into NATO in the report presented at the

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Budapest NAA session. The association "in two stages" would be unjust for our country and it would represent a new and unjustified delimitation, a new separation in Europe. Speaking about this issue, the spokesman of the PNTCD, Radu Vasile, said that a certain blame for the current situation also rests with those in the country's leadership, because the current structure of the majority coalition is not perceived favorably abroad. However, the PNTCD believes that the report presented in Budapest cannot represent a "measure" of the chances of our country's association to NATO and there are reasons for us to hope that, "regardless of the report," Romania and Hungary will have access to the NATO structures at the same time, as is normal, as is right, and as is useful both for Europe and for each individual country.

Valer Suian of the Romanian National Unity Party [PUNR]: Discriminatory Treatment Would Be a Mistake

"As I have already stated on other occasions, we consistently believe that political forces do not resent the idea of our association with NATO. The PUNR expresses its profound will and desire for a rapid association of our country to all European structures, because precisely this rapid integration represents Romania's chance. A differentiated and discriminatory treatment of our country, compared to some other countries of the former communist bloc, would be a mistake and, instead of strengthening European security, it would achieve precisely the opposite. I do not believe that a 'two-stage' association could make a contribution to the act of strengthening security on our continent. As a matter of fact, the signs received from U.S. officials, who promised a fair examination of Romania's situation, represent a correct position towards us, and we hope that West European countries will also behave in the same way."

Party Leaders React to Fourth UDMR Congress

AU0606115895

[FBIS Editorial Report] Bucharest EVENIMENTUL ZILEI in Romanian on 31 May, on page 2, under the headline "The UDMR Has Reached Its Goal—The Parties Included in the Government Coalition Asked for Penal Action Against Participants in the Cluj Congress" carries four 200-word reports, each on the reactions of leaders of the parties included in the government coalition to the fourth UDMR (Democratic Union of Hungarians in Romania) congress that was held on 26-26 May in Cluj-Napoca.

Marcela Feraru's report refers to the debates held on 30 May in the Chamber of Deputies on the issue of the fourth UDMR Congress, and to statements by Social Democracy Party of Romania Deputy Florin Negoita, who is quoted as saying "Enough! This is too much! The moment of truth has come: The UDMR must be urgently and unequivocally banned." Negoita is also reported as calling on the General Prosecutor's Office and the Romanian Intelligence Service to present to parliament "the paramilitary actions in some hot areas."

In their 200-word article, Bogdan Eduard and Sandu Muresan note that "the conclusion of the fourth UDMR congress and the decisions adopted in Cluj stirred a wave of unprecedented outrage in the local authorities," hence, Cluj Mayor Gheorghe Funar asked that "the participants in the Congress should be imprisoned for two to seven years." The article also reports on Cluj County Prefect Grigore Zanc saying: "I believe that the participants in this congress had forgotten for a moment where they live and about their obligation to respect Romania's Constitution and laws. The adopted program and certain statements made on that occasion prove an increase in the number of those who practice extremism, isolation, and segregation. I consider that the worst thing was the confirmation of Laszlo Tokes as UDMR honorary president, one who will continue to confer a harmful note on UDMR policy. His speech was an incitement to the destabilization of the country. I also wish to stress that Romania has the necessary moral and, if you wish, military force not to accept such actions. We will not sit with folded hands until some exalted extremists, who succeeded in obtaining more than they had expected at this congress, play their game."

Cristina Sofronie, in her 200-word report, quotes Socialist Party of Labor Senator Adrian Paunescu as saying that "the UDMR members are some rascals who attack history and wish for the two world wars to be replayed" and Greater Romania Party Leader Corneliu Vadim Tudor as saying that the representatives of Hungarian parliamentary parties invited to the UDMR congress are "political hooligans who came from Hungary to the heart of Transylvania."

Sofronie also reports that Social Democracy Party of Romania President (PDSR) Oliviu Gherman said at a news conference on 30 May that his party will ask the authorized legal bodies to take measures against each member of parliament individually who made "irredentist, extremist, and anticonstitutional" statements at the UDMR Congress. According to Sofronie, "measures will be taken after the PDSR receives the official documents translated into Romanian" and reports that the PDSR will propose a parliamentary debate on the declarations made by Hungarians, because, according to Gherman, "through their revisionist content and revanchist tone, the debates in the congress revealed to the public the UDMR's shrewd strategy of taking small

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steps aimed at the destruction of the Romanian state." According to Sofronie, Oliviu Gherman also said that, because of their declarations at the UDMR congress, the invited Hungarian parliamentarians who attended the UDMR Congress might be declared "persona non grata."

Hrebenciuc Urges UDMR To Work Toward Harmony

AU0606115995 Bucharest VOCEA ROMANIEI in Romanian 30 May 95 p 2

["Message Addressed to the Fourth Congress of the Democratic Union of Hungarians in Romania—Cluj-Napoca, 26-28 1995" by Viorel Hrebenciuc, secretary general of the government and coordinator of the Council for National Minorities]

[FBIS Translated Excerpt] At the opening of the proceedings of the Fourth Congress of the Democratic Union of Hungarians in Romania [UDMR], an important event for the political, social, and cultural life in Romania, I extend to you—on behalf of Romania's Government, the Council for National Minorities, and myself personally—wishes for success in identifying, defining, and implementing the measures that can be suggested to the citizens belonging to the Hungarian minority in Romania, in order to preserve and develop their ethnic, cultural, linguistic, and religious identity. In my capacity as coordinator of the Council for National Minorities, I take this opportunity to congratulate you for the past five years of existence. [passage omitted]

I believe that the time is ripe for clarifying the relations between the UDMR and the Council for National Minorities—a body consisting of 18 organizations of the citizens belonging to the national minorities and 12 specialized bodies of the central public administration—since the UDMR has not yet reconsidered its decision to recall its representatives from the Council, a decision that was taken in September 1993. [passage omitted] With a few exceptions, the direct dialogue between the UDMR and other organizations of citizens belonging to national minorities has not registered an appropriate level or pace. Unfortunately, the UDMR representatives did not participate in the cultural or other activities organized by the other bodies of citizens belonging to national minorities. [passage omitted]

Some of the ideas expressed at the recent UDMR symposium "On the Situation Created Following the Government's Declaration on the UDMR Activity, Respectively on the Autonomy Concept Advocated by the UDMR"—a colloquium honored by the presence of the representatives of 10 national minorities—should become reference points and subjects of reflection for the UDMR: Autonomy can be accepted, if it is not based on ethnic criteria; the objectives of the other organizations of citizens belonging to the national minorities limit themselves to culture; as a political party involved in Romania's international relations, the UDMR is an important factor for the maintenance of the regional political balance; it is important not to diminish the competence and influence of the Council for National Minorities; self-determination should not be translated by "self-elimination"; and the functioning rules of the Council for National Minorities can be modified. [passage omitted on the activity of Council for National Minorities]

Regarding the legislative framework for the national minorities in Romania, I would like to particularly point out the fact that Romania contributed to the drafting of the Framework Convention for the Protection of National Minorities, which we signed, together with Hungary and Slovakia, on 1 February 1995. At the same time, Romania is the first country to have deposited the ratification instruments of the Framework Convention for the Protection of National Minorities with the Committee of Ministers of the Council of Europe, on 11 May 1995. The law on national minorities, discussed and amended by Romania's Government at its meeting on 25 May 1995, will soon be forwarded to the Parliament, as an expression of our political will in this matter.

In conclusion, allow me to again extend to you wishes for success in achieving your goals aimed at preserving and harmoniously developing the ethnic, cultural, linguistic, and religious identity of persons belonging to the Hungarian minority in Romania and at maintaining a harmonious interethnic climate in our common fatherland.

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Federal

Jovanovic's Visits to Armenia, Turkmenistan

Meets With Armenian Patriarch

LD0406132795 Belgrade TANJUG in English 1302 GMT 4 Jun 95

["Pool" item]

[FBIS Transcribed Text] Yerevan, June 4 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic conferred here on Sunday with Armenian Patriarch Garegin I about the developments in the former Yugoslavia.

The Armenian patriarch expressed a wish for establishing closer ties with the Serbian Orthodox church and said that first steps to that end could be made in diaspora, especially in the United States.

The patriarch said he would immediately inform Armenian Church officials about it and suggest that they establish contacts with Serbian Orthodox officials in the United States.

The lengthy meeting, also attended by Armenian Foreign Minister Vakhan Papazyan, revealed a great resemblance of opinions on all topical issues, which was said to be normal, because the countries had similar problems.

Yugoslavia is under sanctions and Armenia practically blocked, which inflicts great losses on them. Yugoslavia is investing great efforts aimed at ending the Bosnian war and Armenia is trying the same in Nagorno-Karabakh. Both Yugoslavia and Armenia insist on the right to self-determination, which powerful world factors prevent.

Jovanovic, who is on a two-day official visit to Armenia, laid a wreath on the monument to victims of genocide of Armenians in Yerevan early on Sunday. The monument was raised in memory of one and a half million Armenians killed by the Turks in 1915.

Jovanovic also laid a wreath on the memorial to Yugoslav pilots who died in a plane crash near Yerevan airport on Dec. 12, 1989. The pilots were to bring humanitarian aid to Armenia, which had been hit by a disastrous earthquake on Dec. 8, 1989.

The two-day talks will end late on Sunday with a meeting between Jovanovic and Papazyan.

Talks With Kulyiyev

LD0506103895 Belgrade TANJUG in English 1022 GMT 5 Jun 95

[FBIS Transcribed Text] Ashkhabad, June 5 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic Monday morning arrived on a two-day official visit to Turkmenistan.

Jovanovic was welcomed at Ashkhabad airport by Turkmen Minister of Foreign Economic Relations C.T. Kulyiyev.

The two high officials are planned to meet again in the afternoon to discuss possibilities for establishing economic cooperation between Yugoslavia and Turkmenistan.

Later in the day, Jovanovic will also meet with Turkmen Foreign Minister Bosir Shihmuradov to discuss the two countries' relations and the situation in the territory of the former Yugoslavia.

Kulyiyev expressed satisfaction that the visit had taken place, as well as hope that it would greatly stimulate development of various forms of cooperation.

Turkmenistan, one of the republics of the former Soviet Union that gained independence in 1992, is a member of the United Nations and the Organization of Security and Cooperation in Europe.

Jovanovic's visit is the first high-level official contact between the Federal Republic of Yugoslavia and Turkmenistan.

Postponement of Decision on IMF Membership

LD0606095295 Belgrade TANJUG in English 0928 GMT 6 Jun 95

[FBIS Transcribed Text] Belgrade, June 6 (TANJUG)—The Yugoslav government has decided to seek a new six-month postponement of a decision on Yugoslavia's membership to the International Monetary Fund, TANJUG has learned from sources in the National Bank of Yugoslavia. If the request is granted, the IMF will discuss Yugoslavia's status in the organization on December 14 and not on June 14, as it was planned.

Since the secession of four republics of the former Yugoslavia and the imposition of U.N. sanctions on the Federal Republic of Yugoslavia three years ago, a decision on Yugoslavia's membership to the IMF has been postponed five times either on the basis of the Yugoslav government's request or the fund's own decision.

In 1992, the IMF accepted five new states as successors to the former Yugoslav federation, concluding that the former Yugoslav state was no longer existent. None of the five new states, however, was automatically granted succession. The IMF instead determined conditions for their status to the organization to be recognized. The main condition was that they accept a proposed model

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for division of the membership quota and outstanding debts.

Under the IMF decision, the Federal Republic of Yugoslavia was assigned 36.52 percent of the quota, Croatia 28.49 percent, Slovenia 16.39 percent, Bosnia-Herzegovina 13.20 percent and the former Yugoslav republic of Macedonia 5.40 percent. The IMF also sought that a separate Yugoslav law be adopted to regulate the matter, and retained the right to assess independently whether Yugoslavia is capable and ready to return its part of the debt and draw funds.

Although Yugoslavia said it was willing to settle its outstanding debts, it was unable to do so because its funds deposited in foreign banks, as well as all financial transactions with the world, were frozen. The IMF has therefore repeatedly postponed a decision on Yugoslavia's status to the organization.

General Perisic Cites Importance of Serb Unity

LD0406144795 Belgrade TANJUG in English 1306 GMT 4 Jun 95

[FBIS Transcribed Text] Cacak, June 4 (TANJUG)—Yugoslav Army Chief of Staff Lt. Gen. Momcilo Perisic said Sunday that Serb unity in these lands was imperative more than ever because only in that way the state, the territory and the citizens could be protected from threats coming from the outside, and unfortunately, the inside.

On the historic hill of Ljubic, near the town of Cacak, western Serbia, where the 180th anniversary of one of the most glorious battles of the second Serbian insurrection against the Turkish occupiers was marked, Perisic said that at this historical moment the memory of the illustrious Serbian past was necessary as a patriotic inspiration for preserving peace and freedom.

Our brothers on the other side of the Drina River have been fighting for four years and the people in the Federal Republic of Yugoslavia live isolated and under unprecedented coercion. The hypocrisy of the big powers has surfaced but also our incapacity to learn from our own history, Perisic said.

Vojvodina Wheat Harvest Yield Projection Cited

LD0506103995 Belgrade TANJUG in English 0854 GMT 5 Jun 95

["Ecopool" item]

[FBIS Transcribed Text] Novi Sad, June 5 (TANJUG)—Preparations for the coming wheat harvest have started in Yugoslavia's biggest granary—Serbia's northern province of Vojvodina—which is expected to yield 1,590,000 tonnes of wheat on the area covering about 400,000 hectares.

All combines, cooperative farms and farmers have about 7,000 combine harvesters in need of new spare parts before the harvest. With these machines, bread cereals in Vojvodina fields can be harvested in about 20 days if the whether is fine.

Vojvodina farmers have called on competent Serbian bodies to provide 16 million litres of fuel for the harvest, urging that the delivery last from June 20 to July 10 so as the fuel problem does not hamper the speedy collection of crops.

The Vojvodina Government has sent a proposal to the Serbian Government to join efforts with the Yugoslav Government and draft an operative program of all activities for the coming bread cereals harvest.

The farmers also urged that issues of storing, buying out and timely paying for the wheat be solved. These issues should promptly be resolved together with the National Bank of Yugoslavia (central bank) and funds supplied to wheat producers.

Fuel Shortage for Coming Harvest Predicted

AU2905130595 Belgrade BORBA in Serbo-Croatian 26 May 95 p 10

[Article by S. Plesinac: "Again Troubles With Diesel Fuel"]

[FBIS Translated Excerpt] Judging by the current situation, there will be not enough diesel fuel again for the necessary work on the harvest.

We have learned from well-informed sources that some 20,000 metric tons of domestic diesel will be provided per month. Something will also come from commodity reserves and this will be distributed as evenly as possible.

Nevertheless, this will not be enough to cover the "shortage" of one-third of the monthly fuel needs, especially if one bears in mind the fact that the plan of the UN Committee for Sanctions does not envisage the import of fuel for these purposes within humanitarian aid. [passage omitted]

The Federal Government has planned to import 600 metric tons of derivatives, primarily heating oil, and about 700 million cubic meters of natural gas in the first six months. Up to now, with some minor exceptions, such as the purchase of diesel fuel for work on repairing damage caused by floods in Montenegro, there was no other purchase of fuel abroad.

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Hadzic Bloc Wants Unificaton With FRY

AU0206111195 Novi Sad DNEVNIK in Serbo-Croatian 31 May 95 p 5

[Commentary by Milan Bozokin: "Voice Against the Policy of Reason"]

[FBIS Translated Text] The decision of the Republic of Serb Krajina [RSK] Assembly to remove prime minister Borislav Mikelic did not come as a particular surprise to those well-informed on Krajina matters. It is the result of months of disagreements and arguments among parties in the Krajina political leadership. Mikelic's removal from the post of prime minister has formally been explained by his opposition to the speedy unification of the RSK and the Serb Republic, but the real reasons are of a quite different nature.

The conflict between Krajina President Milan Martic and Prime Minister Borislav Mikelic has been going on for months now. Their cooperation was short-lived, only a couple of months, after which it escalated into an open conflict. Martic accused Mikelic of protecting criminals in Krajina, pulling Krajina back into Croatia with his negotiating moves, and spending too much time in Belgrade.

Not to be outdone, Mikelic reminded the president of the republic that not long ago he was the chief of a police force which not only did not prevent crime, it participated in it; he also said that some of Martic's decisions were weakening Krajina's defense ability, and that Martic was conducting a private policy. The Martic-Mikelic conflict has for months now been in the focus of public attention—not only in the Krajina—and it has eclipsed the solving of much more important issues on which Krajina's survival depends.

Why the Change of Mind?

Two and a half months ago Borislav Mikelic "won" the duel with Martic because the majority of deputies in the Krajina assembly at the beginning of March rejected a proposal to remove the prime minister that was tendered by the president and a group of 20 deputies. It was then that Milan Martic announced that this was not the end of it and that the removal of the prime minister would be discussed again, which is what happened two days ago. In the space of just two and a half months the deputies changed their minds and almost unanimously voted no confidence in the prime minister. The prime minister himself was probably expecting as much, and did not attend the Krajina Assembly session. He chose to send the deputies a letter. Mikelic was aware of the fact that not even his presence at the session could persuade the deputies into perhaps changing their minds. In any case, they did not even want to read his letter, but raised their hands in favor of the prime minister's removal without a debate.

The latest developments in Krajina imply that Milan Babic continues to hold all the strings in his hands. His party (Serbian Democratic Party of Krajina) [SDS], has the majority in the assembly and has in the past fortnight made some truly radical moves which will have substantial impact on Krajina's future existence. Namely, at the session in Borovo Selo, Babic's party first proposed urgent unification with RS, and then demanded the resignation of prime minister Mikelic, who had opposed unification. Both proposals got the deputies' full support.

However, the nature of the games being played remains unclear, since the Krajina SDS until recently unreservedly supported the government and Mikelic as prime minister. Moreover, the Krajina SDS opposed any debate on confidence in the government and the RSK president's initiative to have it removed. Therefore the question: what kind of facts could have changed the Krajina SDS's—or to be more precise—Milan Babic's stance so radically, what sort of political deal influenced such a decision.

Unification in Question

Irrespective of the fact that Borislav Mikelic has been removed for opposing the urgent unification of the two Serbian states across the Drina River, his adversaries have little cause for celebration. The unification will after all not happen as quickly as Martic, Babic, Karadzic, and Krajisnik had envisaged. Namely, there will be no joint session of the two Serbian states' assemblies in Knin today; it was planned earlier that unification would be proclaimed at the session. Instead, both assemblies are to first draft a law on the temporary constitutional organization of the future state, which would bear the name United Serb Republic [Ujedinjena Republika Srpska]. The Krajina assembly has endorsed the document, and the RS Assembly is also expected to give it the green light; only then will unification be proclaimed. And that could take some time.

In addition to the Krajina prime minister's removal there has been information which could be of great significance and could mean the end of the Krajina as a state. Namely, eastern Slavonia, Baranja, and western Srem have announced their secession from Knin. The fact that a coordinating committee has already been formed in the region—headed by former Krajina president Groan Hadzic—testifies to the fact that their intentions are serious; moreover, the deputies from the region (with the exception of the radicals) did not attend the Krajina assembly's 29 May session in Knin.

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At the session in Borovo Selo, the deputies from eastern Slavonia, Baranja, and western Srem expressed reservations toward the announced unification of Krajina and RS because they believed that in this case they would be on their own. They also dragged out old stories that Knin had almost completely neglected the area and that the region had reaped almost no benefits from the RSK's capital. They also reiterated that this part of Slavonia, Baranja and western Srem gravitates towards Serbia, that is, the Federal Republic of Yugoslavia [FRY] since it borders with it and that the people in the region have a great desire to unite with their brethren across the Danube.

Serbia

Milosevic Praises Lord Owen's Peace Efforts

LD0506201995 Belgrade TANJUG Domestic Service in Serbo-Croatian 1925 GMT 5 Jun 95

[FBIS Translated Text] Belgrade, 5 Jun (TANJUG)—Serbian President Slobodan Milosevic received Lord Owen, cochairman of the International Conference on Former Yugoslavia, in a farewell visit this evening, a statement issued by the Serbian President's Office says.

In the course of the cordial meeting, in which Thorvald Stoltenberg, Geneva conference cochairman took part, President Milosevic paid respect to David Owen and his efforts to establish peace and reach a political solution to the crisis.

David Owen has displayed a high degree of responsibility in his stance on the Yugoslav crisis and has taken great care to protect the authority of his mission and to affirm fair play, President Milosevic said.

Both sides concluded that the Geneva conference played a positive role in the peace talks and provided a place in which the warring sides could put forward their views on ways to find political solutions.

Hence, it is not an accident that its efforts have defined the basic elements of peaceful solutions, which have gradually found a place in all peace plans put forward by the international community. It was stressed that a just solution and a successful end to the peace process can only be achieved through renewed negotiations between the warring sides and their equal treatment.

At the end of the meeting, President Milosevic wished David Owen personal happiness and success in future works.

Djindjic: B-H Recognition Will Not Stop War

AU0506205795 Belgrade NASA BORBA in Serbo-Croatian 5 Jun 95 p 2

[Article by S.N.A.: "Recognition of Bosnia Will Not Stop the War"]

[FBIS Translated Excerpt] Belgrade—[Passage omitted] The president of the Democratic Party [DS] believes that the recognition of Bosnia by the Federal Republic of Yugoslavia will not solve the basic problem—the war in Bosnia-Herzegovina. Stressing that he had no information on the course of the negotiations that Slobodan Milosevic is currently conducting, [DS President] Djindjic assessed that it is humiliating that parties are not being briefed on these negotiations and that they are obtaining information about their essence from foreign news agencies. This may be one of the reasons why the popularity of Belgrade psychics has recently soared, quipped Djindjic.

The DS expects that elections will take place in Yugoslavia by the end of the year; the latest events in the Federal Assembly primarily imply this. We believe that the latest events in the Federal Assembly are an introduction to a dissolution of the assembly and I cannot say today whether it has already been dissolved or whether this has yet to happen, Zoran Djindjic said at yesterday's new conference.

Montenegro

Weekly Sees Plan for Involvement in B-H

AU0506080095 Podgorica MONITOR in Serbo-Croatian 26 May 95 pp 12-13

[Commentary by Vladimir Jovanovic: "Forcing the Drina River, for the Second Time"]

[FBIS Translated Text] The thing was overstated: "The sanctions against Serbia are about to be lifted!"—that is how superficial commentaries read, in the expectance of the favorable result of talks between U.S. emissary Frasure and Slobodan Milosevic. Allegedly, the recognition of Bosnian independence was "in the air." On Tuesday [23 May], THE NEW YORK TIMES reported that Milosevic had rejected the U.S. plan and, on the same day at around 2000, Robert Frasure left Belgrade. Thus, the eight days that had been spent persuading Milosevic turned into a circus, and the diplomacy of the world's greatest power was humiliated by the man who carries the burden of responsibility for the crime on the territory of Yugoslavia.

With the appointment of General Mile Mrksic as the commander of the Serb army in Croatia, it was clear

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there can be no mention of any sort of "turnabout" (a favorite expression of stale journalists). But why did the international community not say anything about this classic evidence of Serbia's involvement in the war on the other side of the Drina River? The answer can perhaps be found if this event is seen in light of the lukewarm reactions to the file of the runaway Serb agent, Cedomir Mihajlovic, which connects Milosevic directly to war crimes.

That means that somebody wants to make a hero out of Milosevic in the sketchy blueprint for the finale of the Yugoslav hell. But, have those hopes now finally suffered an inevitable defeat? Milosevic is maintaining his Greater Serbian position, and everything else is bluff and intrigue about alleged serious quarrels within the "war lobby."

So Belgrade is keeping to its hard positions of Greater Serbian strategy, and differences only appear (must this be repeated?) when it comes to the methods and the time factor for the legalization of various results. After all, had the fighting in western Slavonia gone on, would there have been a military reaction from Serbia? MONITOR's sources claim that the inclination for something like that was increasing within the General Staff, and that Slobodan Milosevic was consulted about some preparations. Colonel Lazar Babic, the commander of the Serb 18th Corps—who has been erased from the equation—affirms in one Belgrade weekly paper that Gen. Momcilo Perisic [commander of the General Staff of the Yugoslav Army] called him in the course of fighting and gave him operational advice!

That means that, essentially, things have not changed. Bosnia will not be recognized by Serbia as long as Serbian nationalism is not defeated, earnestly and unconditionally, and exclusively by military power. That is, unfortunately, the only way that would lead to the pacifying of the situation under the present conditions of the absence of a government in Belgrade that would be, at least to a certain degree, nationally responsible and cooperative in negotiations. For communist and nationalist reasons, Milosevic is prepared to conduct a hundred-year-long anti-West policy, a policy of the bloody suppression of the rights of the surrounding, less-numerous peoples and of human freedom in the "Federal Republic of Yugoslavia [FRY]," since that is the only policy that will keep him in power. Any other solution would lead Serbia into democratic and economic recovery, but in this country, rich in Ottoman traditions and in a subordinate mentality, contaminated by satanism and pseudo-Christianity, hopes are turned in the opposite direction.

Bosnia cannot count on Serbia recognizing its borders under the present conditions, and that is not a surprising fact, at least not for the people of Sarajevo and other towns that have been exposed to a barbaric siege for three years.

In a more general view, things are also more or less clear: There has not been one single strategic document from Belgrade elaborating on the position of Serbia in its surroundings that counts on the existence of an independent Bosnia, or with its border on the Drina River. The new sphere of influence of Western democracy, according to those documents, would be limited to a narrow strip of the Croatian coast and a geographically undefined area of central Bosnia, surrounded by Serbs, with reduced potential for economic or political maneuvers. In fact, a strategic wasteland.

On the other hand, the ethnically cleansed area in eastern Bosnia "cut" the so-called the green transversal—a fabrication of Serbian propaganda. It cut off Sandzak and Kosovo from Bosnia, which—as Serbian strategists believe—will solve the problems of Kosovo, which thus remains isolated. That theory would be true if it were possible: The Kosovo issue, i.e., the "surplus" of Albanians there, is impossible to remove by any other way than by force, as in Bosnia. But that implies a lot of risk, on which they definitely did not count in the euphoria of the prematurely announced victory in Bosnia; whereas the Montenegrin national movement will get stronger and stronger.

However, many believe that the recognition of Bosnia would not have stopped the war anyway. In that way, the war would maybe be prevented from spreading to the southeast. Now everything is possible again: It seems that, in the course of summer and the beginning of autumn, there might be a frontal crash between Bosnia and Croatia on one side and the rebel Serbs on the other. This process would be expedited with the proclamation of "Western Serbia." All this would result in the withdrawal of many of the UN forces from Bosnia, and the most critical points for such an operation, as we wrote earlier this year, are the three Bosniak enclaves on the Drina River—around which the use of force by NATO is possible. Within the military and state leadership of Serbia, this would definitely bring about the development of a climate in favor of sending limited military forces to Bosnia in order to intervene in several strategically important areas and thus make use of the created vacuum. Such a plan exists within the General Staff. Supposing it were possible and politically approved by Milosevic, questions arise: Which units of the "FRY" Army would act, and in which areas of Bosnia exactly?

The vital and the most sensitive area for the control of the Bosnian territory bordering with Serbia is the

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square formed by the Drina, Krivaja, Bosna, and Sava Rivers. In that area, in the northeast of Bosnia, there are two Bosniak enclaves (Srebrenica and Zepa), the Bosnian basin with the town of Tuzla (in which there are 650,000 people), the most numerous corps of the Army of Bosnia-Herzegovina, the 2d Corps, and the airport that Milosevic stated last year might be used for an attack on Serbia!), the Bosnian strongholds of Olovo and Kladanj, the strategically important Mt. Ozren and Mt. Majevica, and, finally—the corridor.

Bearing in mind the demographic potential of the Macva region and the area around the western flow of the Morava River [both in western Serbia], it is possible to carry out a mobilization in this region for the Belgrade army, which would have the task of crossing the Drina River and progressing further towards the Bosnian positions, with the purpose of starting an offensive operation against Tuzla from several directions with the cooperation of the army of the "Serb Republic." The ultimate goal: to capture the territory to the south of the corridor all the way to the Kladanj-Ribnica-Voluca line.

If the response to the mobilization were at least partial, it would be possible to carry out a reinforcement that would guarantee the functioning of the following formations: the Mechanized Corps (five brigades: armored, mechanized, motorized, and two artillery brigades), at least two brigades of the Kragujevac Corps (mechanized and artillery brigade), a part of the Drina Division, and maybe some units forming the independent tactic group called the Defense of the City of Belgrade. Approximate strength: Around 30,000 soldiers.

Something like this would definitely sure provoke a reaction from the NATO airplanes over Bosnia, which would demonstrate their presence at the first sign of "FRY" army movements towards Bosnia and, later, they might even go into action. Their goals would be the bridges over the Drina River, possibly the communications to the Serbian rear, and finally the Serbian armed forces.

Anything that might happen afterwards is beyond conjecture.

Kosovo

'Severe' Serb Police Prosecution, Brutality Seen

AU0406200195

[FBIS Editorial Report] Pristina Kosova Daily Report in English No 628 on 2 June carries several reports on Serbian police "torture" and "harassment" against Albanians, including raids on schools and homes of Albanians in various areas of the province.

It is reported that a 55-year-old Albanian engineer from Ostrozub village in Malisevo has been subjected to "severe Serbian police persecution and brutality" since 15 February. The Serbian police ordered him to hand over a revolver, which the Albanian denied of ever having. In a statement given to the Prizren-based Democratic League of Kosova (LDK) Information Commission, the Albanian reveals "a quivering story of torture and harassment" that he and his family have been experiencing for months and admits to being beaten by the police every day with six to seven policemen waiting their turn to beat him. The Albanian confessed of having suffered "heavy body injuries" and seeking medical treatment "several times." On 2 March, the police raided his home and "intimidated" his family. Since then, his two-year-old daughter "suffers from traumatic shocks." The man states: "The police would beat me for some time and pour buckets of water on me, and all over again. I had six long rounds of beatings within that day." He confirms that the day he was released, he and his friend "clawed" their way home because they could not walk. The Albanian was ordered to report to the police station on 2 June, and he "feared" he would experience the same torture again.

Another report notes that the Serbian security "harassed" a mother from Babaj i Bokes village in Dakovica. The Dakovica-based Council for the Defense of Human Rights and Freedoms reports today that the Serbian state security officers on 31 May "interrogated" the Albanian woman for "several hours" in the gynecological ward of the Dakovica hospital only four hours after she had given birth. The police questioned her about the "political activities" of her husband.

It is also reported that the Serbian police on 1 June raided a secondary school housed in a private home in Vucitrn. The Serbian policemen interrupted the classes and harassed the teachers and students. Seven teachers were "interrogated" by the police and ordered to report to the Vucitrn police station.

Another report says that on the night of 1 June, the Serbian police broke up a farewell party of fourth-year students of the local secondary school in Irzniq. Sources in Decani say that the police detained a school teacher, who was "interrogated" for several hours under the alleged pretext that "such parties jeopardize the territorial integrity of the self-styled Yugoslavia." The Serbian police also arrested the owner of the rented house.

On 26 May, the Serbian police arrested a resident of Rashan village and his father. The Serbian police plan to send the man to a Serbian Army camp in Nis to carry out his "military service."

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A report from Vitina notes that the Serbian police on 25 May arrested a Kllokot resident, who was taken to the police station in Kllokot and interrogated about the alleged possession of a revolver. Another report from Dakovica says that on 31 May, under the pretext of searching for arms, the Serbian police raided the home of the local LDK chairman in Rracaj village and "harassed" his wife. Another Albanian resident in the same village was summoned to report to the Serbian police station.

Vojvodina

VMDK Adhers to Three-Tier Autonomy Demands

LD0406125195 Budapest Kossuth Radio Network in Hungarian 1000 GMT 4 Jun 95

[FBIS Translated Text] The Democratic Community of Hungarians in Vajdasag [Vojvodina—VDMK] adheres to its striving for autonomy, and autonomy can be the real solution in the Carpathian Basin, according to [VMDK] Chairman Andras Agoston. Arpad Madarasz reports from Ujvidek [Novi Sad]:

[Madarasz] The VMDK resolutely adheres to its demand for three-tier [territorial; ethnic minority, and individual] autonomy for the Hungarians of Vojvodina. This was stated by Andras Agoston at the general assembly of the organization's regional committee in Subotica. The VMDK chairman at the same time voiced his hope that the Hungarian Government will approach with more feeling and greater understanding the demands of its fellow nationals beyond the borders.

Agoston's firm belief is that the concept of autonomy as offered by his party represents the real solution for Hungarians who live in foreign countries [kuelfoeldi magyarsag] in the Carpathian Basin.

It was demanded at the Subotica general assembly that a university faculty for Hungarian teacher training be set up in the north Backa town.

As for the three parliamentary deputies who left the VMDK—Jozsef Kasza, mayor of Subotica, Laszlo Jozsa, and Mihaly Szecsei—it was proposed to them that they return their mandates, since they had been nominated by the VMDK and not by the Association of Hungarians in Vojvodina, to which they now belong.

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